



Daily Report

China

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Daily Report

China

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CONTENTS

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NOTICE TO READERS: An * indicates material not disseminated in electronic form.

INTERNATIONAL AFFAIRS

General

Spokesman Reiterates Sovereignty Over Spratlys	<i>[Beijing International]</i>	1
Spokesman Restates Sovereignty Over Tibet	<i>[Beijing International]</i>	1
International, Chinese Red Cross Groups Meet	<i>[XINHUAJ]</i>	1
Talks Fail To Reach Agreement	<i>[Hong Kong EASTERN EXPRESS 23 Apr]</i>	1
Uruguay Round's Conclusion 'Far From Satisfactory'	<i>[XINHUAJ]</i>	1
U.S. Secretary Perry Cited on Korean Nuclear Issue	<i>[XINHUAJ]</i>	2
Perry Says No 'Confrontation'	<i>[XINHUAJ]</i>	2
U.S. Secretary Calls Progress in Gorazde 'Encouraging'	<i>[XINHUAJ]</i>	2
XINHUA Carries 'Text' of UN Statement on Gorazde		3
Vice Premier Meets Netherlands, U.S. Visitors	<i>[XINHUAJ]</i>	3
U.S. To Launch Spy Satellite Targeting Russia	<i>[XINHUAJ]</i>	3
Jiang Zemin Receives Credentials From Ambassadors	<i>[XINHUAJ]</i>	4
CPPCC Vice Chairman Departs for Jordan, Djibouti	<i>[XINHUAJ]</i>	4

United States & Canada

Former U.S. President Nixon Dies 22 Apr	<i>[XINHUAJ]</i>	4
Spokesman Expresses Condolences	<i>[XINHUAJ]</i>	4
TV Broadcasts Leaders' Condolences	<i>[Beijing TV]</i>	4
XINHUA on Leaders' Condolences		5
Zhu Rongji Sends Message	<i>[XINHUAJ]</i>	5
'Text' of Qian Qichen Message	<i>[XINHUAJ]</i>	5
Clinton's Comments on Nixon Cited	<i>[XINHUAJ]</i>	5
Clinton Declares Day of Mourning	<i>[XINHUAJ]</i>	5
Economist Sees U.S. Inflation if MFN Dropped	<i>[XINHUAJ]</i>	6
Editorial Dismisses Idea of 'Conditional MFN Status'	<i>[Hong Kong WEN WEI PO 23 Apr]</i>	6
Editorial on Importance of Sino-U.S. Cooperation	<i>[Hong Kong TA KUNG PAO 23 Apr]</i>	7
Clinton Cited on U.S. Seeking Improved India Ties	<i>[XINHUAJ]</i>	8
U.S. Criticized for Reaction to Singapore Case	<i>[XINHUAJ]</i>	8

Central Eurasia

Li Peng Visits Aircraft Plant in Tashkent	<i>[XINHUAJ]</i>	9
XINHUA Reports on Li Peng's Turkmenistan Arrival		9
Li Peng Visits Ambassadorial Staff in Turkmenistan	<i>[XINHUAJ]</i>	10
Li Peng Visits Ashkhabad Factory 21 Apr	<i>[XINHUAJ]</i>	10
Li Peng Meets With Niyazov, Other Leading Turkmens	<i>[XINHUAJ]</i>	11
Press Communique Issued on Li Peng's Visit to Turkmenistan	<i>[XINHUAJ]</i>	11
Li Peng Attends Signing of Turkmen Economic Accords	<i>[XINHUAJ]</i>	12
Li Peng Addresses Turkmen Officials, Figures	<i>[XINHUAJ]</i>	12
Officials, Turkmen Counterparts Discuss Ties	<i>[XINHUAJ]</i>	13
Li Peng Arrives in Bishkek, Greeted by Akayev	<i>[XINHUAJ]</i>	13
Kyrgyz President Akayev Welcomes Li Peng	<i>[XINHUAJ]</i>	13
Li Peng, Kyrgyzstan's Akayev View Border Dispute	<i>[XINHUAJ]</i>	14
Li Peng, Kyrgyzstan's Premier Hold Talks in Bishkek	<i>[XINHUAJ]</i>	15
Li Peng, Kyrgyzstan's Premier Hold Economic Talks	<i>[XINHUAJ]</i>	15
Li Peng, Kyrgyzstan's Legislative Branch Leader Hold Talks	<i>[XINHUAJ]</i>	16
Kyrgyzstan's Akayev Hosts 'Grand Banquet' for Li Peng	<i>[XINHUAJ]</i>	16

Li Peng, Kyrgyz President Discuss Border Issues <i>[XINHUA]</i>	16
Li Peng, Kyrgyz Speaker View Parliamentary Exchanges <i>[XINHUA]</i>	17
Kyrgyz President Akayev Fetes Li Peng <i>[XINHUA]</i>	18
Li Peng, Businessmen Sign Accords in Kyrgyzstan <i>[XINHUA]</i>	18
XINHUA 'Newsletter' Hails Sino-Kyrgyz Friendship	19
China, Kyrgyzstan Sign Six Accords During Li Peng's Visit <i>[XINHUA]</i>	19
China, Kyrgyzstan To Start Drafting Border Treaty 'Soon' <i>[XINHUA]</i>	20
More on Drafting Border Agreement <i>[XINHUA]</i>	20
Beijing Issues Communiqué on Li Peng Visit to Kyrgyzstan <i>[XINHUA]</i>	21
Kazakhstan's Nazarbayev Notes 'Good Neighborly' Relations <i>[XINHUA]</i>	22
XINHUA Interviews Kazakhstan President Before Li Peng Visit	22

Northeast Asia

XINHUA Notes Hata Named Japanese Prime Minister	22
Government Congratulates Hata <i>[XINHUA]</i>	23
Column Views Political Situation <i>[Hong Kong TA KUNG PAO 23 Apr]</i>	23
Japanese Diet Delegation To Visit 29 Apr <i>[XINHUA]</i>	24
Dismissal of ROK Prime Minister Examined <i>[XINHUA]</i>	24
NPC Vice Chairman Meets ROK Cultural Delegation <i>[XINHUA]</i>	24

Southeast Asia & Pacific

Qiao Shi Visits Vietnam, Meets Party Officials	25
Meets CPV Delegation 22 Apr <i>[XINHUA]</i>	25
Further Report on Meeting <i>[XINHUA]</i>	25
Hanoi Press Agency Reports Contact <i>[VNNA]</i>	25
Indonesian President Meets Visiting NPC Delegate <i>[XINHUA]</i>	26
Philippines' Ramos Meets Visiting NPC Delegation <i>[XINHUA]</i>	26
Australian Official Tours Joint Research Center <i>[XINHUA]</i>	26

Near East & South Asia

Qiao Shi Holds Talks With Egyptian President <i>[XINHUA]</i>	27
More on Talks <i>[XINHUA]</i>	27
Qiao Shi, Mubarak Discuss Relations <i>[XINHUA]</i>	28
Mubarak Tours Beijing Development Zone <i>[XINHUA]</i>	28
Mubarak Visits Development Zone <i>[Cairo Radio]</i>	28
Egyptian Foreign Minister Comments on Talks in Beijing <i>[Cairo MENA]</i>	29
Egyptian President Mubarak Ends Visit <i>[XINHUA]</i>	29
Mubarek Arrives Home <i>[XINHUA]</i>	29
CPPCC Official Meets With Jordan's Prime Minister <i>[XINHUA]</i>	30
Sino-Indian Military Expert Group Holds Meeting in Beijing <i>[XINHUA]</i>	30
Border Talks With China Focus on Force Reduction <i>[Delhi Radio]</i>	30
Satisfaction Expressed Over PRC Border Situation <i>[Delhi Radio]</i>	30

West Europe

PLA General Meets Finnish Guests in Beijing 25 Apr <i>[XINHUA]</i>	31
French Premier Balladur Terms Visit 'Complete Success' <i>[XINHUA]</i>	31
Luo Gan Meets Visiting German Delegation <i>[XINHUA]</i>	31
German Economic Delegation Visits Liaoning <i>[Shenyang Radio]</i>	31
Song Jian, Swedish Minister Discuss Technological Ties <i>[XINHUA]</i>	32
Shandong Economic Delegation To Visit Switzerland <i>[Jinan Radio]</i>	32
NPC Spokesman Views Sino-British Relations <i>[XINHUA]</i>	32
Further on NPC Spokesman's Criticism of British Report <i>[XINHUA]</i>	34
NPC Spokesman Criticizes British Committee's Report <i>[XINHUA]</i>	35
Jurists Repudiate UK Report on Hong Kong Basic Law <i>[XINHUA]</i>	35
Beijing Meeting in Held in Memory of UK Author, Activist <i>[XINHUA]</i>	36

NATIONAL AFFAIRS

Political & Social

Spokesman Reports Wang Juntao Released on Bail for Treatment <i>[XINHUA]</i>	37
Wang Juntao Released From Jail for Medical Treatment <i>[Hong Kong SUNDAY HONGKONG STANDARD 24 Apr]</i>	37
Wang's Release Raises Hopes of Other Detainee Families <i>[Hong Kong SOUTH CHINA MORNING POST 25 Apr]</i>	37
Escaped Dissident Granted Asylum by Western Country <i>[Hong Kong SOUTH CHINA MORNING POST 23 Apr]</i>	38
Qiandao Lake Incident Suspect Wore 'Military Uniform' <i>[Hong Kong EASTERN EXPRESS 23 Apr]</i>	38
Former Soldier Suspect in Qiandao Lake Incident <i>[Hong Kong TA KUNG PAO 22 Apr]</i>	39
Central Leaders Attend Ren Bishi Birthday Forum <i>[XINHUA]</i>	40
Jiang Zemin Meets With Red Cross Society Members <i>[XINHUA]</i>	40
Jiang Zemin Urges Overcoming Forest Fire <i>[XINHUA]</i>	40
Li Lanqing Chairs Anti-Smuggling Meeting <i>[XINHUA]</i>	40
Zhu Rongji Chairs State Council Meeting on Public Order <i>[XINHUA]</i>	41
Forestry Minister Visits Fire Fighting Site <i>[Hohhot Radio]</i>	41
Leaders Praise Extinguishing of Fire in Inner Mongolia <i>[XINHUA]</i>	41
Red Cross Society Opens National Congress in Beijing 23 Apr <i>[XINHUA]</i>	41
Customs To 'Crack Down' on Smuggling Activities <i>[XINHUA]</i>	42
Commentator Urges Society To Show Concern for Orphans <i>[RENMIN RIBAO 22 Apr]</i>	43
Commentator Views Ideological Work in Enterprises <i>[RENMIN RIBAO 22 Apr]</i>	43
Fraudulent Hong Kong Firms Find New Victims on Mainland <i>[Hong Kong SUNDAY HONGKONG STANDARD 24 Apr]</i>	45

Science & Technology

One Killed, Twelve Injured in Satellite Test Fire <i>[AFP]</i>	45
Shanghai Pools Nuclear Power Equipment Suppliers <i>[CHINA DAILY (BUSINESS WEEKLY) 24-30 Apr]</i>	46

Economic & Agricultural

Zou Jiahua Exhorts Price, Investment Inspection <i>[XINHUA]</i>	46
Li Tieying Discusses Enterprise Reform Lessons <i>[XINHUA]</i>	47
Li Tieying Advocates Modern Enterprise System <i>[XINHUA]</i>	48
Chen Jinhua Urges Efforts To Curb Inflation <i>[Beijing Radio]</i>	49
Document Defines Unions' Expanded Role in Firms <i>[CHINA DAILY 23 Apr]</i>	49
Licenses of 7,500 Foreign-Funded Firms Revoked <i>[XINHUA]</i>	50
Foreigners Sought To Manage Light Industry Firms <i>[CHINA DAILY (BUSINESS WEEKLY) 24-30 Apr]</i>	50
Foreign-Funded Enterprise Figures Released <i>[XINHUA]</i>	51
Bank To Lend More to Some Foreign-Funded Firms <i>[CHINA DAILY (BUSINESS WEEKLY) 24-30 Apr]</i>	51
State Council Establishes State Development Bank <i>[XINHUA]</i>	51
Development Bank To Issue \$7.5 Billion in Bonds <i>[CHINA DAILY (BUSINESS WEEKLY) 24-30 Apr]</i>	52
SSC To Ban Certain Standardized Futures Contracts <i>[XINHUA]</i>	52
Foreign Share in Telecommunications To Be Limited <i>[CHINA DAILY (BUSINESS WEEKLY) 24-30 Apr]</i>	53
Foreign Investment in Power Generators Considered <i>[CHINA DAILY (BUSINESS WEEKLY) 24-30 Apr]</i>	53
Growth of Chain Stores To Be Promoted <i>[XINHUA]</i>	54
Scientists Propose Deepening Yangtze River Course <i>[XINHUA]</i>	54
Importance of Protecting Arable Land Stressed <i>[ZHONGGUO XINWEN SHE]</i>	55
Sand Loss Poses 'Danger' To Coastal Ecology <i>[ZHONGGUO TONGXUN SHE]</i>	55

REGIONAL AFFAIRS

East Region

Jiangxi High-Tech Development Zone Prospers [XINHUA]	56
China's Auto Production Concentrated in Chang Jiang Valley [XINHUA]	56
Shanghai Building International Textile Town [XINHUA]	56
Shanghai Meets Bond Sales Target Ahead of Schedule [CHINA DAILY (BUSINESS WEEKLY) 24-30 Apr]	57
Shanghai Awards Overseas Investors [XINHUA]	57
Hangzhou Officials Tighten Security in Zhejiang [XINHUA]	57

Central-South Region

'Pirated' Audio-Visual Products Destroyed in Guangdong [XINHUA]	57
Guangzhou Fair Attracts Autonomous Region Delegations [XINHUA]	58
Shenzhen Launches Cleanup of 'Three Withouts' [ZHONGGUO XINWEN SHE]	58

Southwest Region

Guiyang State Enterprise Declares Bankruptcy in Guizhou [Guizhou Radio]	59
Qiao Shi Inspects Sichuan [XINHUA]	59
Supreme Court President Inspects Sichuan [Chengdu Radio]	60
Tibet Strengthens Control Over Satellite TV [Lhasa TV]	60
Large-Scale Troop Movements Reported in Tibet [Hong Kong SOUTH CHINA MORNING POST 25 Apr]	61
Tibet Delegates Attend Regional Propaganda Conference [Lhasa Radio]	62

North Region

Beijing Experiences Price Increases [ZHONGGUO XINWEN SHE]	62
Beijing Helps Businessmen Arrange Foreign Trips [XINHUA]	63
Hebei Issues Regulations on Economic Information Market [XINHUA]	63
Inner Mongolia Secretary Inspects Baotou, Bayannur [NEIJIENGGU RIBAO 14 Apr]	63
State Councillor Li Tieying Inspects Tianjin [XINHUA]	64
Tianjin Secretary Discusses Rural Work [TIANJIN RIBAO 13 Apr]	65
Tianjin Leading Cadre Hold Meeting [TIANJIN RIBAO 14 Apr]	66

Northeast Region

Auto Plant in Jilin Successfully Restructured [XINHUA]	68
Liaoning Secretary Inspects Southern Part of Province [LIAONING RIBAO 10 Apr]	68
Panjin City in Liaoning Assists Workers [Shenyang Radio]	69

Northwest Region

Telephone Lines Link Most Ningxia Townships [XINHUA]	70
Qinghai Governor Urges Social Stability [Xining Radio]	70
Qinghai Reports Export Growth [Xining Radio]	70
Song Ping Concludes Shaanxi Inspection [XINHUA]	70
Xinjiang Issues 1993-94 Budget Report [XINJIANG RIBAO 8 Mar]	71
Hong Kong Journal Discusses Xinjiang Stability [Hong Kong TANGTAI 15 Apr]	76

PRC MEDIA ON TAIWAN AFFAIRS

Officials, Media Respond to Leadership Instructions on Qiandao [Hong Kong WEN WEI PO 23 Apr]	78
ARATS Letter to SEF Urges Talks, Views Qiandao Incident [XINHUA]	78

Taiwan

Premier Views Qiandao Lake Boat Incident [Taipei Radio]	80
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SEF Requests More ARATS Information <i>[Taipei Radio]</i>	80
SEF Delegation To Visit Zhejiang <i>[CNAJ]</i>	81
Taiwan Lawmaker Accuses PLA of Involvement <i>[Taipei Radio]</i>	81
Taipei Dispatches Patrol Boats to Spratly Islands <i>[Tokyo KYODO]</i>	81
Prosecutor Indicts More Officers in Taiwan Arms Scandal <i>[CNAJ]</i>	81
More on Military Scandal <i>[CNAJ]</i>	82
KMT Passes Constitutional Reform Proposals <i>[CNAJ]</i>	82

HONG KONG & MACAO

Hong Kong

Trade Director Renews Call for Unconditional MFN <i>[Hong Kong SOUTH CHINA MORNING POST (BUSINESS POST) 23 Apr]</i>	84
Governor Urges No Tampering With PRC Trade Status <i>[Hong Kong HONGKONG STANDARD 23 Apr]</i>	84
PRC Dissident Urges 'Radical' Party in Run-up to 1997 <i>[Hong Kong SOUTH CHINA MORNING POST 23 Apr]</i>	84
Chief Secretary Departs for MFN Talks <i>[Hong Kong HONGKONG STANDARD 23 Apr]</i>	85
Deputies, Advisers Invited To PLA Camp <i>[Hong Kong TA KUNG PAO 22 Apr]</i>	85
PRC Tries To Limit Taiwan Air Transit Routes <i>[Hong Kong EASTERN EXPRESS 25 Apr]</i>	86
Economic Report Predicts Problems Ahead <i>[Hong Kong SOUTH CHINA MORNING POST (BUSINESS POST) 25 Apr]</i>	86
XINHUA Hong Kong Official Views Housing Problem <i>[Beijing International]</i>	87
UK Politicians Attack Governor's Conduct <i>[Hong Kong SOUTH CHINA SUNDAY MORNING POST 24 Apr]</i>	87
UK Charges PRC With Breaching Sino-UK Accord <i>[Hong Kong SOUTH CHINA SUNDAY MORNING POST 24 Apr]</i>	88
Hong Kong's Land Sales Revenue To Increase <i>[XINHUAJ]</i>	89
Post-1997 Fears Lead Noted Academic Into Exile <i>[Hong Kong HONGKONG STANDARD 23 Apr]</i>	89

Macao

Macao's Trade Deficit Down During Jan-Feb <i>[XINHUA]</i>	89
Industrial Transformation Symposium Held in Macao <i>[XINHUA]</i>	89

General

Spokesman Reiterates Sovereignty Over Spratlys
OW2204185394 Beijing China Radio International in English to Western North America 0400 GMT 22 Apr 94

[Foreign Ministry Spokesman Wu Jianmin's Weekly Press Briefings; from the "Current Affairs" program]

[Text] Coming to the issue of ties with Vietnam, Wu Jianmin reiterated China's sovereignty over the Nansha [Spratly] Islands. The spokesman said China's stand on the islands and their adjacent waters enjoys the international legal basis; and Vietnam, which had carried out a number of illegal oil and gas explorations there in recent years, has infringed on China's sovereignty. Wu Jianmin said Beijing has repeatedly stated its position to Hanoi. He said while bilateral ties in general have been developing steadily, China hopes negotiations on territorial disputes will make progress on basic principles already reached between the two sides.

Spokesman Restates Sovereignty Over Tibet
OW2204190094 Beijing China Radio International in English to Western North America 0400 GMT 22 Apr 94

[Foreign Ministry Spokesman Wu Jianmin's Weekly Press Briefings; from the "Current Affairs" program]

[Text] Finally, the Foreign Ministry spokesman restated China's sovereignty over Tibet. Wu Jianmin said the Central Government has made repeated contacts with personal representatives of the Dalai Lama, the spiritual leader of Tibet. Wu Jianmin said the door is always open for talks between the Central Government and the exiled Dalai Lama. However, he stressed, the talks can cover anything but Tibet's separation from the country.

International, Chinese Red Cross Groups Meet
OW2304143694 Beijing XINHUA in English 1356 GMT 23 Apr 94

[Text] Beijing, April 23 (XINHUA)—Some understandings have been reached between the Red Cross Society of China (RCSC) and the International Committee of the Red Cross (ICRC), said a Chinese Foreign Ministry spokesman here today.

Four experts from the ICRC visited China from April 18 to 23 at the invitation of the RCSC, according to the spokesman.

He said that the two sides held friendly, frank and practical working meetings at the expert level on issues of furthering exchanges and cooperation.

They had conducted in-depth discussions on "some issues of principle and some concrete issues" and reached some understandings, the spokesman said.

"Both sides agreed that the meeting has produced positive results," said the spokesman, adding that the two sides would continue to make concerted efforts in a pragmatic spirit and strengthen their cooperation.

Talks Fail To Reach Agreement
HK2304070994 Hong Kong EASTERN EXPRESS in English 23 Apr 94 p 8

[By Bruce Gilley]

[Text] Red Cross officials leave Beijing today after failing to reach agreement with China over access to prisons. There had been some expectation that China would make concessions ahead of the United States decision on the renewal of trade benefits in June. However, Angelo Gnadinger, who headed the Red Cross delegation of three, said last night there remained "more to be done". "We have not finished all the work. We are just in the midst of it," he said.

Three meetings were held during the week with Chinese officials from the Ministry of Foreign Affairs. China gave no indications when another meeting might be held, but did not rule out further talks in May, Gnadinger said.

Sources at the Red Cross had thought that China might seek a "quick solution" in light of the U.S. decision on renewing Most Favoured Nation (MFN) status in June. China is understood to want to limit the definition of prisoners to those convicted of crimes, a sticking point with the Red Cross, which seeks to visit "all detainees".

Improving conditions for prisoners "such as allowing access to prisons by international humanitarian and human rights organisations" is one condition of Bill Clinton's presidential executive order governing the renewal of MFN.

Uruguay Round's Conclusion 'Far From Satisfactory'
OW2404163494 Beijing XINHUA in English 1617 GMT 24 Apr 94

[Text] Washington, April 24 (XINHUA)—China said here today that despite the conclusion of the Uruguay Round of the World Trade Talks and the signing of the final act, "The results are far from satisfactory."

"Many of the developing countries' requirements have not been met and the world must continue to address the remaining issues," said Chen Yuan, deputy governor of China's central bank, the People's Bank of China.

Speaking at the 50th meeting of the group of 24 ministers, part of the spring meeting of the World Bank and the IMF, Chen said much work remained to be done to implement the concluded trade agreements.

Chen stressed that while trade protectionism in the developed countries has increased rather than decreased, the developing countries have adopted measures to liberalize trade and open up domestic markets.

"The developed countries should further open their markets and eliminate various forms of subsidies as well as non-trade barriers," Chen said.

"We earnestly oppose the use of so-called social barriers on part of developed countries as an excuse to restrict the exports of developing countries," he stressed.

U.S. Secretary Perry Cited on Korean Nuclear Issue
OW2204144794 Beijing XINHUA in English
1420 GMT 22 Apr 94

[Text] Tokyo, April 22 (XINHUA)—Visiting United States Defense Secretary William Perry said here Friday [22 April] that the U.S. should solve the nuclear development issue in the Democratic People's Republic of Korea (DPRK) "with greater patience and extensive diplomatic efforts."

Perry, who arrived here on Thursday from South Korea, told a press conference that the United States places great hope in China in efforts to persuade the DPRK to relinquish its nuclear development program.

Perry said that if the DPRK's attitude does not soften despite diplomatic efforts, the U.S. and allies such as Japan and South Korea will impose sanctions against the DPRK.

Perry did not rule out possible military pressure on the DPRK, but he believes that would run the risk of bringing about a large-scale war.

If the U.S. and its allies impose sanctions against the DPRK, they will be "moderate and step-by-step ones," Perry said.

The U.S. defense secretary noted that if the DPRK fulfills its international duty on the nuclear issue, the United States is ready to discuss the issue of the normalization of political and economic relations.

Perry Says No 'Confrontation'
OW2204161394 Beijing XINHUA in English
1553 GMT 22 Apr 94

[Text] Tokyo, April 22 (XINHUA)—United States Defense Secretary William Perry reiterated here on Friday [22 April] that there is no military confrontation on the Korean peninsula.

Perry, who flew here on Thursday from South Korea for his first official visit to Japan, made this remark during talks with Japanese Foreign Minister Tsutomu Hata, who is expected to succeed Morihiro Hosokawa as prime minister.

Speaking of the situation on the Korean peninsula, Perry said, "I don't believe there is a sign of military confrontation there."

Remarking on the nuclear development issue in the Democratic People's Republic of Korea (DPRK), he said the U.S. and Japan agreed that "a solution through diplomacy is important."

They also agreed that Japan and the United States should keep in close contact with each other in dealing

with the nuclear issue, and that the solidarity of Japan, the U.S. and South Korea should be reinforced.

Hata said that winning cooperation from China is "extremely important" in dealing with the nuclear question.

Perry also met with Japanese Defense Minister Kazuo Aichi on Friday.

Perry left Tokyo for home later Friday evening.

U.S. Secretary Calls Progress in Gorazde 'Encouraging'

OW2404183594 Beijing XINHUA in English 1817
GMT 24 Apr 94

[Text] Washington, April 24 (XINHUA)—U.S. Secretary of State Warren Christopher told American television viewers today the progress of Serbian withdrawal from around Gorazde is "encouraging."

Speaking at the American Broadcasting Company's (ABC) "This Week With David Brinkley," Christopher said latest reports from the scene indicate that the withdrawal is taking place.

The ultimatum issued by the North Atlantic Treaty Organization (NATO) on Friday [22 April] seems to be working, he said, adding that "We've been disappointed before, but so far today, it's encouraging."

NATO ordered the Bosnian Serbs to immediately stop their assault and pull out their heavy weapons before 12:01 A.M. local time today from a two miles radius from the center of Gorazde.

It also demanded that the Serbs allow United Nations peacekeepers and medical personnel into Gorazde, one of the six U.N.-designated "safe areas" for Muslim refugees.

Had the Serbs failed to respond, the ultimatum threatened, they would risk NATO air strikes.

The United States is "very carefully" monitoring the situation at the enclave, which had been under intensive Serb attacks in recent weeks, Christopher said.

Before making the remarks, the U.S. state secretary talked several times this morning with the chairman of the U.S. joint chiefs of staff and received reports from Bosnia.

Despite small arms fire, there has been no shelling in Gorazde today. Some 140 U.N. peacekeepers are already in the city and about 500 more are expected to arrive this afternoon.

British and French helicopters, meanwhile, are evacuating the wounded from the former Yugoslav Republic. And they hope to bring out between 200 to 300 people today.

XINHUA Carries 'Text' of UN Statement on Gorazde

*OW2304014194 Beijing XINHUA in English
0111 GMT 23 Apr 94*

[Text] Brussels, April 22 (XINHUA)—Following are the text of NATO statement issued today to give Bosnian Serbs an ultimatum to withdraw from Gorazde or face air strikes.

The council:

(1) Reaffirmed the readiness of the alliance, as stated in the January NATO summit, to support the UN in its efforts to protect gorazde as authorized under UN Security Council Resolutions 824, 836 and 844, noting also Security Council Resolution 913;

(2) reaffirmed its support for a negotiated settlement of the conflict in Bosnia-Hercegovina and called for the intensification of the efforts to achieve a peaceful settlement; and in this context, welcomed the coordination and close consultation between the United States, the Russian Federation, the United Nations and the European Union, with the aim of bringing together current diplomatic initiatives;

(3) reiterated its determination to carry out its previous decisions in support of unprofor as it carries out its overall mandate;

(4) demanded strict respect for the safety of Unprofor and other UN and relief agency personnel throughout Bosnia-Hercegovina and for the right of free access of all these personnel to UN-designated safe areas, and reaffirmed NATO's readiness to provide close air support in the event Bosnian Serb forces attack Unprofor or other UN and relief agency personnel throughout Bosnia-Hercegovina or forcibly interfere with the conduct of their mandate;

(5) responding to the request contained in the UN secretary-general's letter of 18th April;

(6) agreed that Bosnian Serb actions in and around the city of Gorazde meet the conditions in relation to civilian centers identified by NATO on 2nd August 1993 as grounds for air strikes;

(7) agreed that unless:

(a) Bosnian Serbs attacks against the safe area of Gorazde (UN Security Council Resolution 824, paragraph 3) immediately cease;

(b) Bosnian Serb forces pull back three kilometers from the center (to be specifically identified forthwith by NATO military authorities in consultation with Unprofor) of the city by 0001 gmt on 24th April 1994; and

(c) from 0001 GMT on 24th April 1994 United Nations forces, humanitarian relief convoys, and medical assistance teams are free to enter Gorazde unimpeded, and medical evacuations are permitted.

Cincsouth is authorized to conduct air strikes against Bosnian Serb heavy weapons and other military targets

within a 20 km radius of the center of gorazde (but inside the territory of Bosnia-Hercegovina) in accordance with the procedural arrangements worked out between NATO and Unprofor following the council's decisions of 2nd and 9th August 1993;

(8) called upon the government of Bosnia-Hercegovina not to undertake offensive military action from within the safe area of Gorazde;

(9) invited the secretary-general to inform the secretary-general of the United Nations of this decision.

Vice Premier Meets Netherlands, U.S. Visitors

*OW2204140994 Beijing XINHUA in English
1240 GMT 22 Apr 94*

[Text] Beijing, April 22 (XINHUA)—Chinese Vice-Premier Li Lanqing met here today with Pentener Vlissingen, chairman of the SHV Holding Company of the Netherlands.

He also had a meeting with Richard McCormack, former deputy secretary of state of the United States.

Vlissingen was the guest of the China National Native Produce & Animal By-Products Import and Export Corporation while McCormack was the guest of the Chinese People's Institute of Foreign Affairs.

U.S. To Launch Spy Satellite Targeting Russia

*OW2304170494 Beijing XINHUA in English 1636
GMT 23 Apr 94*

[Text] Washington, April 23 (XINHUA)—The United States today plans to launch the most expensive spy satellite it ever made from Cape Canaveral, Florida, THE NEW YORK TIMES reported.

Quoting Pentagon officials and private analysts, THE TIMES said the primary mission of 1.5 billion dollars new spy satellite is to eavesdrop on Russia.

The satellite is expected to be put into orbit by the 300 million dollars Titan IV Rocket at 12:40 eastern daylight time.

John Pike, the director of space policy at the Federation of American Scientists, said the satellite weighing five tons and was equipped with a dish antenna 152 meters in diameter to intercept the telecommunications of Russian military, intelligence and political officials.

The spy satellite was built and will be operated by the National Reconnaissance Office, the United States' largest and most secretive intelligence service, whose existence the government did not acknowledge until 1992, THE TIMES said.

The data collected by the satellite would then be collected and analyzed by the National Security Agency, using a global network of ground stations and an array of supercomputers, the paper said.

Jiang Zemin Receives Credentials From Ambassadors
OW2504113094 Beijing XINHUA in English
1110 GMT 25 Apr 94

[Text] Beijing, April 25 (XINHUA)—Chinese President Jiang Zemin received separately credentials presented by two foreign ambassadors to China at the Great Hall of the People here today.

The two newly arrived ambassadors were Brunei Ambassador Dato Paduka Haji Abdullah Bin Haji Mohamed Jaafar and Italian Ambassador Alessandro Quarini.

CPPCC Vice Chairman Departs for Jordan, Djibouti
OW2204193694 Beijing XINHUA in English
1442 GMT 22 Apr 94

[Text] Beijing, April 22 (XINHUA)—Wang Zhaoqiu, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC), left here for Jordan and Djibouti this evening.

Wang is leading a 10-member CPPCC delegation on a goodwill visit to the two countries, at the invitation of the Jordanian senate and national assembly of Djibouti.

United States & Canada**Former U.S. President Nixon Dies 22 Apr**
OW2304101194 Beijing XINHUA Domestic Service in Chinese
0749 GMT 23 Apr 94

[Text] Washington, 22 Apr (XINHUA)—Former U.S. President Richard Nixon died of a major stroke at 2108 (EST) today at New York Hospital Cornell Medical Center at the age of 81, reports reaching here said.

Nixon suffered a major stroke at his New Jersey home at around supper time on April 18, and he was soon rushed to the hospital.

Beginning Thursday [21 April] afternoon, Nixon lapsed into a very deep coma.

The life-long Republican was born in California on 9 January 1913 and was first elected to the U.S. House of Representatives in 1946 and to the U.S. Senate in 1950. He was elected vice president as running-mate to Dwight Eisenhower in 1952 and re-elected vice president in 1956.

In 1968, Nixon was elected president of the United States over Democrat Hubert Humphrey and independent George Wallace and on 20 January 1969, he was sworn in as the 37th president of the country.

In November 1972 he was re-elected U.S. president until 9 August 1974, when he was forced to resign in culmination of the Watergate scandal, thus becoming the only president in U.S. history to resign to avoid impeachment.

The former U.S. leader visited China in February 1972 and at the end of his visit, the Chinese and U.S.

Governments issued the famous "Shanghai Communiqué," opening the door to Sino-U.S. exchanges. He later visited China five more times as an old friend of the Chinese people.

Beginning this evening, flags in the capital Washington and the rest of the United States will fly at half-mast for 30 days to mourn Nixon's death.

Spokesman Expresses Condolences
OW2304110894 Beijing XINHUA in English 1054
GMT 23 Apr 94

[Text] Beijing, April 23 (XINHUA)—A Chinese Foreign Ministry spokesman here today expressed deep condolences at former U.S. President Richard Nixon's death.

The spokesman made the statement when asked to respond to the death of Nixon, who died of illness on the night of April 22.

He said that when Nixon was hospitalized, Chinese leaders had conveyed their solicitude through China's ambassador to the United States.

"We wish to express our deep condolences at his death", said the spokesman, adding that major Chinese leaders had sent their messages of condolences.

TV Broadcasts Leaders' Condolences
OW2304115994 Beijing Central Television Program
One Network in Mandarin 1120 GMT 24 Apr 94

[From the "National News Hookup" program]

[Text] According to XINHUA, President Jiang Zemin and Premier Li Peng today sent a message of condolences in connection with the death of former U.S. President Richard Nixon.

The message says: We are shocked to learn that Mr. Richard Nixon has died of illness, and we wish to express our profound condolences.

Mr. Nixon was a statesmen with strategic foresight and political courage. When he was U.S. President, he and the late Chairman Mao and Premier Zhou Enlai opened the gate of Sino-U.S. relations and created a new situation for the relations between the two countries. After he was relieved of his office, Mr. Nixon continued to concern himself with Sino-U.S. relations and make important contributions to safeguarding and developing the two countries' relations.

We are convinced that, under the joint efforts exerted by China and the United States, Sino-U.S. relations which the late Mr. Nixon cared about certainly will continue to improve and develop. We wish to express our sincere sympathy to Mr. Nixon's family.

Zhu Rongji and Qian Qichen also sent messages of condolences.

XINHUA on Leaders' Condolences
OW2304153394 Beijing XINHUA Domestic Service in Chinese 1321 GMT 23 Apr 94

[Text] Beijing, 23 Apr (XINHUA)—Chinese President Jiang Zemin and Premier Li Peng have sent a telegram of condolence on the death of former U.S. President Richard Nixon today.

The full text of the telegram reads:

We are shocked to learn that Mr. Nixon has died. We wish to express our profound condolences. Mr. Nixon was a statesman with strategic foresight and political courage, and he opened a new era in Sino-U.S. relations together with late Chinese Chairman Mao Zedong and Premier Zhou Enlai.

Since he left office Mr. Nixon continued to be concerned with Sino-U.S. ties and made an important contribution to the upholding and development of the relations.

The Sino-U.S. relations will surely be further promoted and developed by the joint efforts of the two countries.

We wish to express our sincere sympathy for Mr. Nixon's family.

Zhu Rongji Sends Message
OW2304143394 Beijing XINHUA Domestic Service in Chinese 1354 GMT 23 Apr 94

[Text] Beijing, 23 Apr (XINHUA)—Chinese Vice Premier Zhu Rongji sent a telegram on 23 April to condole the death of former U.S. President Richard Nixon. The full text of the telegram follows:

Mr. Nixon was a statesman with foresight and sagacity. He always cared about Sino-U.S. relations. He visited China seven times, made important contributions to the improvement and development of the two countries' relations, and had the respect of the Chinese people. I wish to express my profound condolences on his death, and also my sincere sympathy for Mr. Nixon's family.

'Text' of Qian Qichen Message
OW2304162594 Beijing XINHUA Domestic Service in Chinese 1427 GMT 23 Apr 94

[Text] Beijing, 23 Apr (XINHUA)—Qian Qichen, vice premier of the PRC State Council and concurrently foreign minister, on 23 April sent a message of condolences on former U.S. President Richard Nixon's death. The text of the message follows:

I was distressed to learn of Mr. Richard Nixon's passing away, and would like to express my heartfelt condolences.

While he was alive, Mr. Nixon made major contributions to reopening the door of Sino-U.S. relations, and devoted great efforts to maintaining and developing Sino-U.S. relations. I am deeply convinced that Sino-U.S. relations, for which Mr. Nixon showed concern and

in which he played a role during his life, will surely be improved and strengthened further.

I would like to express my cordial solicitude for Mr. Nixon's family.

Clinton's Comments on Nixon Cited
OW2304045094 Beijing XINHUA in English 0439 GMT 23 Apr 94

[Text] Washington, April 22 (XINHUA)—U.S. President Bill Clinton said here today that he was "deeply grateful" to late former U.S. President Richard Nixon "for his wise counsel on many occasions" over the past year.

Clinton made the remarks from the White House Rose Garden when formally announcing that Nixon had died in New York at 09:08 PM, U.S. Eastern Standard Time.

He hailed Nixon's contributions in reaching out to countries such as China and the former Soviet Union.

Clinton said that Nixon "had the wisdom to know when the time was right to reach out to the Soviet Union and China."

He said that his relationship with Nixon was "warm and constructive" and that "he went out of his way to give me his best advice."

Clinton said that he would attend Nixon's funeral in California.

The U.S. national flag, the Strip and Star [as received], will fly at half mast for 30 days, beginning this evening, to honor the passing away of Nixon.

Clinton Declares Day of Mourning
OW2404144294 Beijing XINHUA in English 1421 GMT 24 Apr 94

[Text] Washington, April 24 (XINHUA)—U.S. President Bill Clinton has declared April 27, Wednesday, a national day of mourning for former U.S. President Richard Nixon who died on April 22, White House sources said here today.

Federal government offices will be closed and there will be no mail delivery for the day, the sources said.

Clinton has also directed that the U.S. flag, the stars and stripes, be flown at half-mast throughout the country and at diplomatic and military installations abroad for 30 days.

81 year old Nixon, the 37th president of the United States, died Friday of a major stroke in a New York hospital. A service will be held at 4:00 p.m., U.S. Pacific day-light time, on Wednesday at the Richard Nixon Library in his home town of Yorba Linda in California State.

Clinton, U.S. Senate Minority Leader Robert Dole (Republican), California Governor Pete Wilson (Republican) and Nixon's Secretary of State Henry Kissinger will deliver eulogies at the service.

Nixon's body will be flown to California on April 26, Tuesday, from New York, bypassing Washington and forgoing a state ceremony on Capitol Hill.

Economist Sees U.S. Inflation if MFN Dropped
*OW2204190474 Beijing XINHUA in English 1841
 GMT 22 Apr 94*

[Text] Washington, April 22 (XINHUA)—Withdrawal of China's most-favored nation (MFN) trade status will probably raise the U.S. Consumer Price Index (CPI) by 2.2 percentage points, according to a study released here today.

According to the study done by CS First Boston Corporation Economist Neal M. Soss, raising the cost of Chinese imports, if with no other effects, will raise the U.S. CPI by 0.15 percentage points.

"If the increased tariffs on Chinese items created a pricing umbrella so that all other toy and apparel and footwear prices went up commensurately, the effect would be to raise the CPI by 2.2 percentage points," the economist said.

"For reasons of inflation control, it would be better if the political discussions with China were resolved in a way that permitted the continuation of China's MFN status," the economist said in a press release.

According to U.S. statistics, the 1993 U.S. merchandise trade deficit was 115.8 billion U.S. dollars, with China accounting for 22.8 billion dollars, or 19.7 percent.

China now accounts for 1.9 percent of total U.S. merchandise exports and 5.4 percent of imports. The U.S. accounts for about one-third of China's merchandise exports.

The average U.S. tariff rate is now 8.8 percent and would almost sextuple to 50.5 percent if MFN was withdrawn. The bulk of U.S. imports from China are toys, apparel, footwear and electronics.

China products account now for 48 of all the toys sold in the U.S.. Chinese products account for almost 15 percent of imported apparel and footwear in the U.S., the New York-based economist explained.

The threat to China's MFN status along with the invocation of Super 301 "led some observers to fear the U.S. is sliding down a slippery slope toward protectionism with adverse consequences for our inflation outlook among other potential harms," Soss said.

Editorial Dismisses Idea of 'Conditional MFN Status'

*HK2304064694 Hong Kong WEN WEI PO in Chinese
 23 Apr 94 p A2*

[Editorial: "Conditional MFN Status Will Not Work"]

[Text] Wu Yi, minister of the Chinese Ministry of Foreign Trade and Economic Cooperation, concluded her U.S. visit this week. During her visit to the United States, Minister Wu Yi attended the Eighth Conference of the Chinese-U.S. Commercial and Trade Joint Committee, during which both sides profoundly discussed the question of strengthening economic and trade cooperation. Their discussions were frank and pragmatic and yielded constructive results. The Chinese-U.S. Trade and Investment Symposiums in New York and Los Angeles also concluded satisfactorily, during which various U.S. corporations signed all kinds of agreements with Chinese central and local authorities as well as enterprises, involving a total amount of \$10 billion. This has once again proved that there is huge potential for Chinese-U.S. economic exchanges and that such business talks are greatly beneficial to both sides.

The problem now is that, at a time when Chinese-U.S. economic and trade relations are developing vigorously, an irrelevant factor to economic and trade relations is casting a shadow over the two countries' entrepreneurs. That is, what policy will the United States adopt on the question of renewing China's most-favored-nation (MFN) status? In April and May every year, U.S. exporters to China frown because the White House stand and practice on this issue are quite unfavorable to them. The Chinese side is concerned about this and Hong Kong and Taiwan businessmen who have built factories on the mainland are seriously worried about it.

Last year the Clinton administration decided to renew China's MFN status for a year, with the caveat that "China must make a significant improvement on the human rights issue" before it can obtain renewal this year. In other words, this is a conditional MFN status. When meeting U.S. Secretary of State Christopher last month, the Chinese side explicitly clarified its position on this issue: China cannot accept a conditional MFN status. China's human rights concept is different from the U.S. one but this does not prevent the two countries from having a dialogue on this question. However, China absolutely does not allow others to interfere in its internal affairs on the pretext of human rights. China's position is clear and its attitude is reasonable.

China needs MFN status because it affords both sides equal treatment and mutual conditions in trade and also because the United States is China's biggest export market. Similarly, the United States needs China: It needs to import large amounts of cheap but good quality industrial products from China and it also needs China because it is a big market. While in the United States, Minister Wu Yi said that, in future, China will import commodities worth \$1,000 billion from the United

States. For U.S. corporations, Chinese markets are absolutely necessary. As Wu Yi said, should the United States withdraw China's MFN status, a trade war could break out between China and the United States in which there would be no victor.

The Clinton administration is unlikely to withdraw China's MFN status rashly because this could hit U.S. entrepreneurs heavily; more seriously, Chinese-U.S. economic and trade relations would break off and this would affect Chinese-U.S. political relations and even the global strategic pattern. China is a large country which plays a decisive role in the Asia-Pacific region, is the pillar for economic growth and stability in this region, and is a permanent member of the UN Security Council. Should the United States prefer a confrontation with China, U.S. interests in the Asia-Pacific region will be affected. The U.S. economy is just starting to recover and the Clinton administration is facing difficulties which are proving hard to cope with in the diplomatic field, such as the nuclear issue on the Korean Peninsula and the Bosnia-Herzegovina situation. If the United States prefers confrontation against China, it will, as Minister Wu Yi said, commit a strategic mistake.

Recently the Clinton administration held discussions with Democratic congressmen about China's MFN status. Reports said that the U.S. side may possibly propose a so-called partial MFN status. That is, it may possibly cancel preferential treatment for products imported to the United States by Chinese state-owned enterprises. This act of discrimination against Chinese state-owned enterprises will not work. Let us put aside this question of "conditional MFN," which is technically hard to execute; imposing sanctions against Chinese state-owned enterprises could damage the Chinese people's feelings and the Chinese Government will not accept it.

There is only one action for the U.S. Government to take: It must separate the human rights issues from trade and grant China permanent MFN status. This will be the best conclusion for the United States and China and both sides will be the victors.

Editorial on Importance of Sino-U.S. Cooperation
HK2304081194 Hong Kong *TA KUNG PAO* in Chinese
23 Apr 94 p 2

[Editorial: "Great Potential in Sino-U.S. Cooperation"]

[Text] At the Sino-U.S. trade and investment talks held in New York, entrepreneurs from the two countries took only two days to conclude and sign 62 agreements and contracts, under which the U.S. side would make investment in or sell equipment to China for a total amount of \$5.4 billion. Major consortia headed by Morgan and Dupont, as well as large multinational groups headed by IBM, Merrill Lynch, the American Computer and Telephone Corporation [mei guo dian nao dian hua gong si 5019 0948 7193 5207 7193 6114 0361 0674], and so on, took an active part in the talks with the Chinese side.

Earlier, the Chinese trade delegation had also held similar activities in Los Angeles, signing \$1.3 billion worth of contracts and more than \$4 billion worth of agreements of intent with U.S. businessmen. All this shows that China is an enormous market with powerful appeal. Meanwhile, it also shows that there are extremely broad vistas for cooperation between China and the United States.

China's economy is growing at a rate which has rarely been seen in the world. It is anticipated that the total amount of imported goods will reach \$1 trillion in the next seven years. In China, 12 million telephone lines will be installed, 1,000 km of railroads will be built or renovated, 3,500 km of highways will be constructed, and from several hundred thousand to several million sedans will be imported each year. Just think, where else can people find such a huge market in the world? It is precisely because of the sustained economic growth in China that the economic and trade cooperation between China and the United States has been able to develop rapidly these past years. The volume of trade between the two countries reached \$27.6 billion in 1993, a 70-fold increase compared with that before diplomatic ties were established in 1979.

However, dark clouds have been consistently cast over the otherwise exceptionally favorable situation of cooperation, namely the threat by U.S. authorities to withdraw the most-favored-nation [MFN] status from China under the pretext of the human rights issue.

Everybody knows that the withdrawal of MFN status will not only cause an onslaught on the trade between the two countries but will also certainly infringe upon the economic contacts and affect the political and diplomatic relationships between China and the United States. The gate, which was opened by former President Nixon in conformity with the historical trend of the times, will probably be closed again. This certainly runs against history and, therefore, is a perverse act, against which sagacious Americans will rise to express their opposition. Over the past period of time, voices calling for unconditional renewal of MFN status for China have been heard here and there. The U.S. Government's stand of linking human rights with trade has not gained any support from the international community. A short time ago, former Singaporean Prime Minister Lee Kuan Yew once again warned the United States not to exert pressure on China through the human rights issue because that simply would not work and would only jeopardize the economic growth and strategic stability in Asia. In order to continue brandishing the baton of MFN status, the United States tried by every conceivable means to obstruct China's reentry into GATT and was, therefore, bogged down in an extremely isolated situation. Even its allies—the various European countries—unanimously stand for China's reentering the international trade organization as early as possible.

The withdrawal of MFN status will do harm not only to mainland China, Hong Kong, and Taiwan, but also to

the United States itself. This is obvious to all and China has repeatedly expounded on this view. However, China is absolutely not afraid of U.S. threats having made full preparations for the worst a long time ago. Just as Wu Yi, minister of foreign trade and economic cooperation, said: "If there is darkness in the east, there is sunlight in the west," and "if the north turns dark, the south is bright," so "the sky over China will never collapse."

Recently, China sent a number of high-level delegations to visit the United States and clarify its points of view, showing its sincerity in seeking positive development and cooperation with the United States. We are now waiting to see if the Clinton administration will make the correct political decision. There is an old Chinese saying: "It is impolite not to reciprocate." If the United States makes a choice for development and cooperation, the Chinese will certainly coordinate with it so that there will be fruitful results arising from equal and reciprocal exchanges; but, if the United States disrupts the trade relations which are based on MFN status, the Chinese side will certainly "give tit for tat." China is opposed to linking trade with human rights because they belong to entirely different matters. Fair-minded people in various countries have noted that, along with the economic development and increased democracy and legal system in China, the human rights situation has improved considerably and will continue so to do. There are only a handful of anti-Chinese elements in the United States who take advantage of a couple of criminals to attack China and who are not actually concerned with human rights in this country.

What merits our attention is that some U.S. forces hostile to China have not only stirred up trouble on the issue of MFN status but have also availed themselves of various opportunities to provoke incidents and confront China. There is a rumor that they want to take advantage of the Dalai Lama's upcoming visit to the United States to set off another new surge against China. There is also a report that the United States is going to increase its sales of weapons to Taiwan to create tension across the Taiwan Strait. All this obviously runs counter to the U.S. commitment to a "one China" policy and is deliberately aimed at splitting China. In the face of this, under no circumstances will China sit idly by and remain indifferent. Certainly, the objective of these individuals in the United States will never be achieved.

Clinton Cited on U.S. Seeking Improved India Ties
OW2404050494 Beijing XINHUA in English 0450
GMT 24 Apr 94

[Text] New Delhi, April 24 (XINHUA)—U.S. President Bill Clinton has called for strong economic ties with India which has offered "exciting possibilities for our bilateral trade and economic relations."

in a letter to congressmen recently, Clinton said that his administration was keen on enhancing Indo-U.S. cooperation in trade, science and technology.

The Department of Commerce's big emerging markets study should provide important help to companies seeking to enter the Indian market, he said.

India has been identified by the U.S. Commerce Department as among the 10 "big emerging markets," which hold tremendous potential for boosting exports and profitable investments for U.S. businesses.

Referring to the recent strain in Indo-U.S. relations over the situation in Kashmir and human rights standards in India, Clinton called for a pragmatic approach, saying that political differences ought not to color the gamut of Indo-U.S. ties.

U.S. Criticized for Reaction to Singapore Case
OW2304053794 Beijing XINHUA in English 0508
GMT 23 Apr 94

[Text] Singapore, April 23 (XINHUA)—Singapore Minister of Home Affairs Wong Kan Seng criticized the United States today for trying to impose its system on Singapore concerning the caning sentence on an American teenage vandal.

In recent weeks, much has been said about caning as a form of punishment in Singapore, he noted when addressing the official opening of two prisons here this morning.

He said some in the American media had gone so far as to equate caning to torture because caning caused pain and possibly permanent cane marks. And they called caning a "cruel", "inhuman" or "unusual" punishment.

"It is absurd that societies so stricken with crime should attempt to apply their standards on us and teach us what to do," the minister said.

The United States should not "try to impose its system on others" since even in the United States, it does not have a criminal justice system that is universally applied in every one of the 50 states, he said.

The American teenager, Michael Fay, 18, was sentenced here last month to four months imprisonment, a fine of 3,500 Singapore dollars, and six strokes of the cane.

"Nobody takes any joy in carrying out these strict punishments, be it imprisonment, caning or execution. But if it has to be done, it must be done," Wong said.

"Laws will not be effective if the penalties are not sufficiently strict. Only then will these laws have the desired punitive and deterrent effects," he added.

"In Singapore, our own experience has convinced us that strict laws, rigorous and impartial enforcement and a fair and transparent judicial system have made our country relatively crime-free," the minister said.

Central Eurasia

Li Peng Visits Aircraft Plant in Tashkent
OW2404132894 Beijing XINHUA Domestic Service in
Chinese 1236 GMT 20 Apr 94

[By reporters Ju Mengjun (0215 1322 6511) and Zhou Shuchun (0719 2885 2504)]

[Text] Tashkent, 20 Apr (XINHUA)—On the morning of 20 April, the Chkalov Aircraft Production Corporation, which is located in the eastern suburban area of Tashkent, was permeated with a joyful atmosphere of Sino-Uzbek friendship and cooperation. On the last day of his visit in Uzbekistan, Chinese Premier Li Peng, accompanied by Uzbek President Islam Karimov, visited this plant.

At 0930, the state guest motorcade drove in the aircraft plant surrounded by green trees. When Premier Li Peng got out of the limousine, he was welcomed by Uzbek girls wearing ethnic dresses. Carrying trays with both hands, the girls offered the guests bread and salt according to local custom. Young boys played drums and trumpets to express their warmest welcome to the distinguished Chinese guests.

In the assembling workshop full of thundering machines, (Kuchelov), chief engineer of this plant, briefed Premier Li Peng in detail on the situation and production technological process in the 62-year-old aircraft production corporation. As he listened to the briefing, Premier Li Peng watched various equipment and components with keen interest. He frequently went near working tables, shaking hands and exchanging greetings in Russian with workers.

(Kuchelov) said: The Chkalov Aircraft Production Corporation mainly manufactures cargo planes and assembles passenger planes for civilian use. The plant is named after Chkalov, a test-flight pilot serving in the early days of the plant. After completing several arduous tasks, he died in a test-flight mission. This plant is named after him and his statue stands in the central part of the plant yard.

Stopping in front of a large plane soon to be completed, Li Peng inquired in detail about the plane's functions. (Kuchelov) said: It is the latest IL-76MF cargo plane with a carrying capacity of 210-tonnes; it will be tested this year. It is expected to leave the plant in 1996. He added: "I hope we will manufacture this kind of plane for China in the near future."

After they walked out of the workshop, Li Peng and Karimov mounted a just-completed IL-76TD cargo plane with a carrying capacity of 40-tonnes. The host said happily: Last year, this plant produced 7 planes of this kind and delivered them to China this February. Li Peng walked into the spacious cargo bay and closely watched the technical demonstration of the opening of the cabin doors.

Assembling workshop director (Lafemov), who has worked as a technician in China for two years, told reporters: After its independence, Uzbekistan established direct ties with China; now the prospects for cooperation between the two countries in producing aircraft are even brighter.

Afterwards, Li Peng briskly mounted an IL-114 small passenger plane next to the IL-76TD. According to the briefing, this is a comfortable passenger plane with a capacity of 54 persons. It can fly non-stop for 1,000 km, a perfect plane for domestic flights.

Beside this passenger plane, (Kuchelov), on behalf of all employees of the plant, presented two plane models to Premier Li Peng. One was a model of the IL-76TD heavy freighter with Chinese characters "China Lienhe Airline" on it, and the other one is a model of the IL-114 passenger plane.

As the nearly one-hour visit drew to an end, Li Peng told reporters what he thought of this tour. He said that what impressed him most was the plant's broad scale, long history, and variety of products. He was glad that China has begun cooperation with this plant.

At the end of the visit, President Islam Karimov said: "Premier Li Peng's visit is not only of political but also of great economic significance. Today's tour manifests promising prospects for cooperation between Uzbekistan and China."

XINHUA Reports on Li Peng's Turkmenistan Arrival

OW2304053694 Beijing XINHUA Domestic Service in
Chinese 1629 GMT 20 Apr 94

[By reporters Zhou Shuchun (0719 2885 2504) and Xie Rong (6200 2837)]

[Text] Ashgabat, 20 April (XINHUA)—Chinese Premier Li Peng arrived in Ashgabat—the second leg of his five-Asian-nation tour—from Tashkent on a special plane this afternoon and began his three-day official visit to Turkmenistan.

Today, a wide expanse of clear, sunlit sky was visible over Ashgabat, where spring was in the air. Slogans such as "Welcome Chinese Premier Li Peng" and "Long live Turkmen-Chinese friendship" written in Chinese on large streamers were hung over the downtown's main streets and at the capital's airport.

A Boeing 767 special aircraft carrying Premier Li Peng and his party landed at the capital's airport at 1750 (2050 Beijing time). When Premier Li Peng began to walk down the steps from his plane, President S.A. Niyazov of Turkmenistan, who was waiting there, walked forward to him. They cordially shook hands while exchanging greetings. Amid welcoming music, three Turkmen girls in their national costumes presented Premier Li Peng with bread, which symbolizes friendship. Several innocent and lively boys presented Premier Li Peng and his wife, Zhu Lin, with flowers.

President Niyazov presided over a grand ceremony. A military band played the national anthems of China and Turkmenistan as Li Peng, accompanied by Niyazov, reviewed the honor guard.

Later, Niyazov accompanied Li Peng in cars to the state guesthouse, which is located in a botanical garden. Patrol police and mounted police on large horses stood at attention and saluted when the convoy of state guests passed by.

At the guesthouse, Li Peng and Niyazov had short but cordial and friendly talks. Niyazov expressed his warm welcome to Li Peng's visit. He said: The people of Turkmenistan have been looking forward to Premier Li Peng's visit for a long time. They have great respect for China's civilization in the past and rapid economic growth of today. Li Peng expressed his thanks for the warm reception by President Niyazov as well as by the government and the people of Turkmenistan.

The two leaders expressed their hopes that in the next two days they can extensively exchange their opinions on a series of issues, including developing bilateral relations.

Premier Li Peng issued written remarks upon his arrival at the airport. He said: China and Turkmenistan are friendly neighbors. The peoples of the two countries have shared centuries-old friendly contacts since the "Silk Road" linked the two peoples 2,000 years ago. Since China and Turkmenistan established diplomatic relations, their traditional friendship has gained fresh growth.

He said: China attaches great importance to its relations with Turkmenistan, and such ties enjoy good prospects for further growth. He continued: "I am convinced that my visit will further promote friendly cooperation between China and Turkmenistan."

Those arriving at the airport on the same plane were Premier Li Peng's delegation including Ismail Armat, State Councillor and minister in charge of the State Nationalities Affairs Commission; and Qi Huaiyuan, director of the Office of Foreign Affairs.

Li Peng Visits Embassorial Staff in Turkmenistan

OW2304002194 Beijing XINHUA Domestic Service in Chinese 1314 GMT 21 Apr 94

[By reporter Xie Rong (6200 2837)]

[Text] Ashkhabad, 21 Apr (XINHUA)— Li Peng, premier of the State Council, who is on a visit here, visited embassorial staff at China's embassy in Turkmenistan this afternoon.

Premier Li Peng said the purpose of his current visit to the five countries in Asia is to enhance neighborly, friendly, and mutually-beneficial cooperation with these countries. He called on all to work even harder to make

new contributions to the constant development of the Sino-Turkmenistan relationship.

Li Peng Visits Ashkhabad Factory 21 Apr

OW2404135494 Beijing XINHUA Domestic Service in Chinese 1619 GMT 21 Apr 94

[Feature by reporters Ju Mengjun (0215 1322 6511) and Xie Rong (6200 2837): "Flower of Friendship Grows From the Weaving of Carpets"—XINHUA headline]

[Text] Ashkhabad, 21 Apr (XINHUA)—The Ashkhabad Carpet Factory was filled with laughter in the afternoon of 21 April. Age-old legends and touching scenes again added splendor to Sino-Turkmen friendship.

At 1515, Premier Li Peng, who is currently on a visit to Turkmenistan, arrived at the Ashkhabad Carpet Factory, which was established over 60 years ago, for a visit. Factory Director (Bayilan) warmly welcomed Premier Li Peng and his party at the gate.

After walking into the workshop, Li Peng frequently extended greetings to women workers skillfully doing their work. The factory director said: The factory employs over 1,000 staff and workers. The carpets it produces are famous all over the world for their beauty as well as their fine and close-woven texture. It is here that Turkmen's industriousness and wisdom, as demonstrated by pairs of weaving hands making their traditional carpets, enjoy long-standing popularity and brisk sales to other parts of the world.

What makes the factory proud is the fact that Turkmen carpets have won eight gold medals at international expositions. One of them was awarded by the Paris Expo in 1937. Factory Director (Bayilan) said to Li Peng: The carpet weaving industry occupies an extremely important position in Turkmenistan. Our national emblem incorporates five basic carpet designs.

Chinese guests gasped with admiration at pieces of carpets full of ancient, legendary figures at the factory museum. Pointing at a carpet with designs woven on both sides, the factory director said: The texture of this rare carpet is very close-woven. It has over 1 million knitting knots per square meter. The host said with pride: The craftsmanship of the decorative carpets and tapestries produced by the factory is very exquisite. They are very valuable. The factory has an annual output of 2,700 square meters [figure as published]. Products are mainly sold to Germany and Britain.

Standing in front of a carpet woven with a dragon design, Li Peng examined the carpet for a long time. It is an unusual carpet, woven with a design of eight legendary Chinese dragons and a cotton ball, which is a traditional Turkmen design. According to a briefing given by the host, this was the design on the ceiling of a mosque in the 12th century. A male artisan and an 18-year-old girl tried to weave the design on a carpet. When the weaving of the design on the carpet was almost finished, with only a

space of 15 cm left undone, they perished in an earthquake that destroyed the mosque. The wife of the artisan completed the weaving of the carpet. Factory Director (Bayilan) said: "The design signifies that Turkmen-Chinese contacts date back to ancient times." The guests were touched by the story. Li Peng and his wife posed for a photo in front of the carpet.

To welcome Premier Li Peng's visit to Turkmenistan and the carpet factory, two female workers specially hastened to produce a tapestry woven with a portrait of Li Peng and offered it as a present to their honored Chinese guest. The factory director said: "In the tapestry are woven the friendly feelings of all the workers of our factory for you and the Chinese people." In return, Premier Li Peng offered a traditional Chinese embroidery as a present to the host. He said: "Like your carpets, famous Chinese embroidery is also embroidered by needle, stitch by stitch."

At the end of the visit, Premier Li Peng gladly wrote an inscription: "Great Achievements From Industriousness and Wisdom and Masterpieces of Superb Craftsmanship." The visit, which lasted less than an hour, left an unforgettable impression on the Chinese guests.

Li Peng Meets With Niyazov, Other Leading Turkmen

*OW2204173994 Beijing XINHUA in English 1711
GMT 22 Apr 94*

[Text] Ashgabat, April 22 (XINHUA)—Visiting Chinese Premier Li Peng today met with around 600 leading Turkmen at the presidential palace, where he made an off-hand speech on China's friendly relations with Turkmenistan and other Central Asian nations.

Li Peng praised the "wise and correct" policies of the Turkmenistan Government in handling domestic affairs, developing the economy and seeking friendly relations with foreign countries, especially with its neighbors.

He also expressed an appreciation for Turkmenistan's policy on nationalities and religion. Li said China is also a country with many ethnic nationalities who treat each other equally, live together harmoniously and seek common development.

Referring to talks held in the past two days, Li said the two nations share identical or similar views on many issues.

China is ready to expand friendly cooperation with Turkmenistan in all fields, including the building of a modern 'Silk-Road' linking China and Central Asia by railways, he said.

"Such ties will also serve to enhance the contact between Asia and Europe in general," he said, calling the 'New Silk-Road' "not only a broad way for economic cooperation, but also a brilliant path towards friendship."

President S.A. Niyazov said the leaders of Turkmenistan and China are determined to develop bilateral ties overall.

Addressing the leading Chinese entrepreneurs traveling with Li Peng, Niyazov said "The door of Turkmenistan always remains open for you and we would like to see expansion of cooperation between the business circles of our two countries."

He added that the agreement signed on bilateral cooperation during Li Peng's visit will serve to consolidate the basis for a long-term cooperative relationship.

Press Communiqué Issued on Li Peng's Visit to Turkmenistan

OW2204133394 Beijing XINHUA Domestic Service in Chinese 0915 GMT 22 Apr 94

[Text] Ashkhabad, 22 Apr (XINHUA)—At a time when Chinese Premier Li Peng is about to conclude his visit to Turkmenistan, China and Turkmenistan today issued their separate press communiques on the visit.

The [Chinese] communiqué says: During Premier Li Peng's visit in Turkmenistan, he met and talked with Turkmenistan President Niyazov. Under an atmosphere of friendship, mutual understanding, and trust, the two leaders had an in-depth exchange of views on further developing bilateral relations, and international issues of common interest; and they briefed one another on the social, political, and economic situations of their own countries. Premier Li Peng also had meetings with members of the Turkmenistan cabinet, persons in charge of various ministries and commissions, members of the national assembly, and entrepreneurs.

The two sides are satisfied with the development of cooperation in the political, economic, trade, and cultural spheres since the establishment of diplomatic relations between the two countries; and they want to further expand and deepen the cooperation in these areas.

The communiqué notes: The two sides maintained that the efforts exerted by the two sides in abiding by the five principles of peaceful coexistence, and in preserving and developing their long-term stable, good neighborly, reciprocal, and cooperative relations are in the fundamental interest of the two peoples, and are also conducive to peace, stability, and development in Asia. The two sides will continue to work hard to this end.

The two sides agreed to make continual efforts to develop economic cooperation and trade as well as direct links between the two countries, between local authorities, and between enterprises; to perfect the legal basis and economic infrastructures; and to work hard to create even better conditions for developing all forms of economic cooperation and trade between the two sides. The two sides adopted a positive attitude toward opening direct flights between the capitals of the two countries. The two sides will strengthen their cooperation in building a modern Silk Road.

The communique notes: The two sides have exchanged views on building Turkmenistan-China-Japan natural gas pipelines, and expressed readiness to continue to study the issue seriously.

The two sides have indicated that the two countries' legislatures and social organizations should broaden their liaison and contacts.

The two sides agreed that they will have regular consultations at various levels on bilateral relations and international issues, including consultations on the basis of the protocol signed during the visit about consultations between the two countries' ministries of foreign affairs.

The communique says: The two sides maintain that the situation in the Asia-Pacific region is moving toward relaxation and stability in general, and such a positive trend conforms with the common interests of all countries in the region. The two sides are ready to make efforts to safeguard peace and security in Asia and to promote regional economic cooperation in the light of Asia's situation and characteristics.

The communique also notes: The two sides maintain that political stability and economic development in Central Asian countries are not only in the fundamental interest of people of all countries in the region, but are also significant for safeguarding peace in Asia and the world as a whole. The Chinese Government supports Turkmenistan's efforts to stabilize the domestic and regional situation and to develop its national economy.

The communique says: The two sides are satisfied with the results of the meetings and the talks, maintaining that it is significant for leaders of the two countries to continue to strengthen regular contacts and exchanges.

Li Peng Attends Signing of Turkmen Economic Accords

OW2404021094 Beijing XINHUA Domestic Service in Chinese 1150 GMT 22 Apr 94

[By reporters Ju Mengjun (0215 1322 6511) and Xie Rong (6200 2837)]

[Text] Ashkhabat, 22 Apr (XINHUA)—Persons in charge of the relevant departments of China and Turkmenistan signed three documents here in the morning of 22 April. Premier Li Peng, who is currently on a visit here, and Turkmen President Niyazov attended the document-signing ceremony.

The three documents are an agreement on a government loan to be offered by China to Turkmenistan, a protocol on [regular] consultations between the Chinese and Turkmen Foreign Ministries, and a letter of intent on cooperation between the China National Petroleum Corporation and Turkmenistan's Ministry of Oil and Gas on a natural gas pipeline project.

An exchange of notes on China's granting goods and materials to Turkmenistan free of charge was signed today, too.

Prior to the document-signing ceremony, Turkmen Oil and Gas Minister Suyunov briefed Premier Li Peng and his party on a tentative plan to build a natural gas pipeline from Turkmenistan to Japan via China. He said: Turkmenistan's current proved reserves of natural gas and petroleum reached 21,000 billion cubic meters and 5 billion to 6 billion tonnes, respectively. The exploitation of these resources will make Turkmenistan become an energy-exporting country. The length of the natural gas pipeline is 6,130 km on land and 880 km to 1,100 km by sea. It will be a project whose implementation will span this century and the next. Its inauguration will be beneficial to Turkmenistan, China, and Japan. Premier Li Peng attentively listened to the briefing and asked detailed questions about the relevant situation.

Today, a ceremony conferring on Premier Li Peng the title of academician emeritus of the Turkmenistan Academy of Sciences was also held in the hall of the presidential office.

Today at noon, Ismail Armat, state councillor and concurrently minister of the State Nationalities Affairs Commission, and who accompanied Premier Li Peng on his visit, cut the ribbon for the inauguration of the Asia Hotel, a Sino-Turkmen joint venture located in a suburb of Ashkhabat. Turkmen Deputy Prime Minister Saljayev [name as received] and Chinese Ambassador to Turkmenistan Cheng Zhenheng attended the ribbon-cutting ceremony.

Li Peng Addresses Turkmen Officials, Figures
OW2404015694 Beijing XINHUA Domestic Service in Chinese 1623 GMT 22 Apr 94

[By RENMIN RIBAO reporter Xu Hongzhi (6079 1347 3112) and XINHUA reporters Zhou Shuchun (0719 2885 2504) and Ju Mengjun (0215 1322 6511)]

[Text] Ashkhabat, 22 Apr (XINHUA)—Chinese Premier Li Peng met with hundreds of MP's, government officials, scholars, and entrepreneurs at the presidential palace in Ashkhabat this morning, where he gave an offhand, ebullient speech.

President Niyazov of Turkmenistan spoke first at the meeting. He said that leaders of Turkmenistan and China are determined to develop all-round friendly relations between the two countries. They will not only develop the ongoing good relations in the political and cultural fields but will also expand cooperation in the economic sector.

President Niyazov said that he fully agrees with Premier Li Peng's view that countries, whether big or small, are entitled to participate in international affairs or to choose their own path of development in accordance with their own characteristics.

In his speech, Premier Li Peng said that he was accorded very warm hospitality during his official visit to Turkmenistan.

He said: "In the past two days, I have had very friendly, sincere [fei chang you hao er cheng zhi 7236 1603 0645 1170 5079 6134 2304] talks with President Niyazov. We had an extensive and in-depth exchange of views on bilateral relations and on international and regional issues of common interest. Officials and businessmen of the two nations also held counterpart talks. We have discovered that our two nations share identical or similar views on many issues. We can say that our talks and meetings have been fruitful."

Li Peng said: China is ready to expand friendly cooperation with Turkmenistan in all fields, including the building of a modern "Silk Road" linking China and Central Asia—including Turkmenistan—by modern railways. Such ties will also serve to enhance contacts between Asia and Europe. "This 'New Silk Road' will not only serve as a broad way for economic cooperation but also as a brilliant path toward friendship."

Li Peng said in conclusion, "Dear friends, I am convinced that with this visit, the friendship between the people of China and Turkmenistan will certainly become more solid and that mutually beneficial cooperation will certainly grow day by day."

Upon hearing this, the hundreds of people present rose and gave a long ovation to Li Peng's ebullient speech and heartfelt wishes.

Officials, Turkmen Counterparts Discuss Ties
OW2204175494 Beijing XINHUA in English 1735
GMT 22 Apr 94

[Text] Ashgabat, April 22 (XINHUA)—Chinese officials accompanying Premier Li Peng on his visit here held talks with two deputy prime ministers of Turkmenistan on bilateral political and economic relations.

Deputy Prime Minister Boris Shikmuradov [title as received], in political talks with Chinese Vice Foreign Minister Dai Bingguo, called Li Peng's visit to Turkmenistan "very successful".

He spoke highly of Li's keynote speech on China's policy towards Central Asia, which was delivered at the parliament of Uzbekistan. Turkmenistan would never do anything to hurt China's interests, he pledged.

The two officials voiced satisfaction with the close cooperation between the foreign offices of the two countries. They expected to maintain regular consultations, dialogue and cooperation on regional and international issues, according to a Chinese spokesman.

Turkmenistan has decided to set up an embassy in Beijing at an early date, as a way to augment bilateral ties, the deputy prime minister said.

Meanwhile, Deputy Prime Minister Jorakuly Babakulyev held talks with Chinese Vice Minister of Foreign Trade and Economic Cooperation Liu Shanzai.

Liu said Li's visit has "strongly boosted" the development of bilateral economic cooperation.

Speaking of mutually-complimentary economies and vast potentials for cooperation, Liu said Turkmenistan is rich in oil, gas and cotton, of which China is in need, and Chinese products are welcome here.

The Chinese entrepreneurs travelling with Premier Li Peng signed a total of 12 documents on cooperation with Turkmenistan, Liu said, adding he expects the two sides to make further studies so as to "turn the letters of intent into reality."

Babakulyev said he expected enterprises of Turkmenistan and China to cooperate in silk making and in banking.

Li Peng Arrives in Bishkek, Greeted by Akayev
OW2204173194 Beijing XINHUA in English 1706
GMT 22 Apr 94

[Text] Bishkek, April 22 (XINHUA)—Chinese Premier Li Peng arrived here this evening for an official visit to Kyrgyzstan, the third stop of a five-Asian-nation tour.

Li Peng, the first top Chinese leader to visit this country, was greeted at the airport by President A. Akayev and Prime Minister Apas Dzhumagulov, along with other senior Kyrgyzstan officials.

In the coming days, Li is expected to hold talks with leaders of Kyrgyzstan on bilateral, regional and international issues.

In a written statement, the Chinese premier called China and Kyrgyzstan friendly neighbors, who share more than 1,000 kilometers of common border and whose contact dates back 2,000 years to when the "Silk-Road" linked China with countries in central and west Asia.

Since the establishment of diplomatic ties, China-Kyrgyzstan relations have enjoyed good development, Li said, adding that president Akayev's visit to China in 1992 served to propel the expansion of friendly cooperation for mutual benefit.

Li expressed the conviction that his visit will further enhance mutual understanding, deepen friendship and expand cooperation between the two countries.

Before arriving in Kyrgyzstan, the Chinese premier visited Uzbekistan and Turkmenistan. The two-week-long tour will also take him to Kazakhstan and Mongolia.

Kyrgyz President Akayev Welcomes Li Peng
OW2404002694 Beijing XINHUA Domestic Service in
Chinese 1603 GMT 22 Apr 94

[By reporters Ju Mengjun (0215 1322 6511) and Zhou Shuchun (0719 2885 2504)]

[Text] Bishkek, 22 Apr (XINHUA)—State Council Premier Li Peng arrived in Bishkek on 22 April at 1830 local

time on a special aircraft to start his official visit to Kyrgyzstan at the invitation of Akayev, president of the Republic of Kyrgyzstan.

When Li Peng stepped down from the ramp of the airplane, Akayev elatedly stepped forward to meet with him, and Akayev firmly shook hands and exchanged greetings with him. Kyrgyz girls presented bouquets, bread, and salt to Li Peng to show their warm welcome to the honored Chinese guest.

A military band played the national anthems of the two countries at the airport, where the flags of China and Kyrgyzstan fluttered in the breeze. Li Peng, together with Akayev, viewed the honor guards.

A large banner stating "We warmly welcome Premier Li Peng" in Chinese characters could be seen hanging down from an airport building. Premier Li Peng warmly shook hands with Prime Minister Abbas Dzhumagulov and other Kyrgyz Government officials. A large, bright, eye-catching, five-starred Chinese national flag could be seen among the welcoming crowd. Premier Li Peng waved at and greeted the Chinese-flag-waving crowd.

Chinese Ambassador to Kyrgyzstan Pan Zhanlin and the entire diplomatic staff from the embassy were at the airport to welcome Premier Li Peng and his delegation. Foreign envoys in Kyrgyzstan also welcomed them at the airport.

Those arriving at Bishkek on the same plane with Premier Li Peng included Zhu Lin, the wife of Li Peng; Ismail Amat, State Councillor and minister in charge of the State Nationalities Affairs Commission; and Qi Huaiyuan, director of the State Council Office of Foreign Affairs.

Citizens along both sides of the road greeted Li Peng when he was driven to the state guesthouse in the accompany of Akayev.

Premier Li Peng delivered a written speech at the airport. He said: China and Kyrgyzstan are friendly neighbors linked by mountains and rivers, and they share a common border stretching over more than 1,000 km. The friendly contacts between the two countries' peoples date back 2,000 years. The "Silk Road," the famous belt of friendship that historically linked China with the countries of Central and West Asia, ran through this stretch of land on which we now stand.

He added that the relationship between China and Kyrgyzstan has developed in an excellent manner since diplomatic relations were established. The successful visit of President Akayev to China in 1992 has propelled the development of the neighborly, friendly, and mutually beneficial-cooperation relationship between the two countries. "I believe that my visit to your country will surely further enhance the understanding between the

two countries, deepen the friendship between the peoples of the two countries, expand the mutually beneficial cooperation in all spheres, and benefit the peoples of China and Kyrgyzstan."

Li Peng, Kyrgyzstan's Akayev View Border Dispute
OW2304092294 Beijing XINHUA in English 0902
GMT 23 Apr 94

[Text] Bishkek, April 23 (XINHUA)—Visiting Chinese Premier Li Peng and President Askar Akayev of Kyrgyzstan today agreed to solve the border issue between the two countries sometime soon.

In two and half hours of formal talks here this morning, the two leaders agreed to pace up work to turn previously-reached agreements into a legal form and, meanwhile, continue friendly negotiations on the remaining issues, according to a Chinese spokesman.

With sincerity from both sides, the two leaders are confident that the border issue "will be successfully resolved in not too long a time," the spokesman said.

Li said that an early agreement on the border issue will be of great significance to the enhancement of Sino-Kyrgyz relations. He also hoped to see the common border become "a bond of peace and friendship as well as a bridge towards the promotion of economic prosperity."

Akayev, voicing agreement with Li's remarks, said Kyrgyzstan hopes to solve the border problem left over from history at an early date. China and Kyrgyzstan share more than 1,000 kilometers of common border.

Kyrgyzstan fully understands that an early settlement of the border issue will be of great importance to the promotion of mutual trust and friendship between the two countries, the president said.

He described Li's visit as "of historic significance to the further promotion of Kyrgyz-Chinese relations."

What's more, China's clear-cut principles for developing friendly relations with Central Asian nations, which Premier Li stated in the Uzbek capital of Tashkent, are of great significance to peace and stability in the whole Central Asian region, including Kyrgyzstan, he said.

As a permanent member of the UN Security Council, China plays a special positive role in international affairs, he noted, adding that Kyrgyzstan will learn from China's experiences, including those in handling international relations.

He hoped that the two countries would maintain consultations and cooperation in international organizations.

Li said China is ready to work for the constant growth of its traditional friendship with Kyrgyzstan.

Akayev asked Li to convey his invitation for President Jiang Zemin to visit Kyrgyzstan, saying the augment of his country's overall cooperation with China is "in the

paramount national interests of Kyrgyzstan" and represents a priority in its foreign policy.

Akayev agreed with Li's proposal for building up a new silk road, saying Kyrgyzstan will work towards the establishment of such a path of cooperation and friendship.

"Kyrgyzstan will always see China as a friendly neighbor and a reliable partner of Central Asian nations," the spokesman quoted Akayev as saying.

Akayev, in evaluating the momentum of bilateral trade and economic cooperation, said China has become an important trade partner of Kyrgyzstan. He expected to see bilateral trade and economic cooperation raised to a new high.

He also invited Chinese enterprises to invest in Kyrgyzstan. A high-level delegation of Chinese entrepreneurs is traveling with Premier Li throughout the tour of Central Asia.

Kyrgyzstan has set up joint ventures with China's Xinjiang Autonomous Region with positive results, he said, adding that vast potentials exist in this regard.

Li agreed that China and Kyrgyzstan should expand cooperation in trade, economic, scientific, technological, cultural and other fields.

While bilateral trade has seen considerable growth in the past few years, this has been primarily achieved within border trade, Li said. "I agree that bilateral economic trade cooperation should be expanded on the basis of equality and mutual benefit."

He said that the Chinese Government adopts a positive attitude towards Chinese enterprises' investment in Kirghizstan.

On regional issues, Li said China supports the maintenance of central Asian nations' friendly relations with each other and with Russia.

Akayev said that the central Asian nations' relations with Russia are "historically formed over the years and it is very important to maintain a good relationship with each other."

During the talks, the two leaders also had an in-depth exchange of views on other regional issues.

Li Peng, Kyrgyzstan's Premier Hold Talks in Bishkek
OW2304141594 Beijing XINHUA in English 1404
GMT 23 Apr 94

[Text] Bishkek, April 23 (XINHUA)—Chinese Premier Li Peng and Prime Minister Abbas Dzhumagulov of Kyrgyzstan held talks here this afternoon on expanding bilateral trade and economic cooperation.

The meeting, covering a wide range of issues, proceeded in a practical and in-depth manner, according to a Chinese spokesman.

Dzhumagulov said that Kyrgyzstan, which is carrying out economic reform, attaches great importance to strengthening economic ties with China and to learning from its experience, especially in rural reform.

He said that over 70 Sino-Kyrgyz joint ventures in food processing, leather making and other areas are operating smoothly. He added that the two sides are considering cooperation in public health, paper-making and other fields.

Dzhumagulov hoped that the two countries will explore the vast potential existing for cooperation in energy, mining, agriculture, communications and transportation.

He added that cooperation in these fields would not only be beneficial to the two countries, but would also have a positive impact on the economic prosperity of the region.

Premier Li Peng said that the difficulties facing Kyrgyzstan are "only temporary, and through effort, will undoubtedly be overcome."

Referring to the rapid growth of bilateral trade, Li said "potentials still exist" and that the Chinese Government, and the Xinjiang Autonomous Region in particular, would strive to promote trade and economic cooperation with Kyrgyzstan. He said that "there has been already a good beginning."

Li also said both sides need to create better conditions and strive to resolve problems hampering the development of trade and economic cooperation.

Experts in the two countries should make in-depth studies of the large projects proposed by Prime Minister Dzhumagulov on cooperation in mining and hydro-power generation, Li said.

The Chinese Government encourages Chinese enterprises to participate in the economic construction of Kyrgyzstan on the basis of equality and mutual benefit, he said.

During the talks, Li invited Dzhumagulov to visit China when it is convenient for him, and the Kyrgyz premier accepted the invitation with pleasure.

Li Peng, Kyrgyzstan's Premier Hold Economic Talks
OW2304190294 Beijing XINHUA Domestic Service in Chinese 1423 GMT 23 Apr 94

[By reporters Zhou Shuchun (0719 2885 2504) and Ju Mengjun (0215 1322 6511)]

[Text] Bishkek, 23 Apr (XINHUA)—This afternoon, Premier Li Peng held wide-ranging and in-depth talks with Kyrgyz Prime Minister Apas Dzhumagulov on expanding bilateral economic relations and trade. The talks proceeded in a pragmatic and friendly [wu shi you hao 0523 1395 0645 1170] atmosphere.

Dzhumagulov said: Kyrgyzstan and China enjoy traditional friendly relations. These relations are being increasingly enriched and constantly developed.

He said: Kyrgyzstan, which is currently in a stage of economic reform, attaches great importance to strengthening economic ties with China and to learning from its experiences, including those in agricultural reform.

He said: Xinjiang and other regions in China have established more than 70 joint ventures in Kyrgyzstan, including those engaged in food processing and leather making; these joint ventures are operating smoothly. Experts on the two sides are considering cooperative projects in papermaking, public health, pharmaceuticals, and other fields.

Dzhumagulov also briefed Li Peng on Kyrgyzstan's economic situation.

Li Peng said: The economic difficulties facing Kyrgyzstan during the course of reform are temporary; it is entirely possible to overcome them through great efforts.

Li Peng said: Over the past two years or so, the two countries have successfully initiated economic cooperation and trade, and they have made impressive progress. Bilateral trade, which has developed rapidly, continues to show potential. The Chinese Government—the Xinjiang Uygur Autonomous Region in particular—will strive to develop cooperation in trade, economics, and other fields with Kyrgyzstan. In the future, the two countries should exploit and utilize their favorable conditions more fully, act in accordance with the law of the economy, ensure that benefits will accrue to both sides, constantly introduce diverse forms of cooperation, and improve and upgrade their trade. To this end, both sides should create better conditions, including those aimed at solving communications and transportation problems that are hampering the development of economic cooperation and trade.

Li Peng added: "A number of entrepreneurs are accompanying me on my current trip, thereby enabling the two sides to increase contacts. The Chinese Government encourages and supports participation by Chinese entrepreneurs in Kyrgyzstan's economic construction on the basis of equality and mutual benefit."

Premier Li Peng invited Prime Minister Dzhumagulov to visit China at a convenient time. Dzhumagulov expressed his thanks and accepted the invitation with pleasure.

Li Peng, Kyrgyzstan's Legislative Branch Leader Hold Talks

OW2304171894 Beijing XINHUA in English 1654
GMT 23 Apr 94

[Text] Bishkek, April 23 (XINHUA)—Visiting Chinese Premier Li Peng met with Kyrgyz parliament leader Medetkan Sherimkulov here today.

In the meeting, Li noted that the legislative bodies of the two countries have built up a good basis for cooperation. He hoped to see further exchanges between the two parliaments at all levels.

"With joint efforts of leaders and peoples of the two countries, Sino-Kyrgyz relations will surely be promoted," he said.

Sherimkulov, who visited China last May, said he expected to receive Qiao Shi, chairman of the Standing Committee of China's National People's Congress, in Kyrgyzstan at an early date, so as to usher in a new stage of contact between the parliament of the two countries.

Kyrgyzstan's Akayev Hosts 'Grand Banquet' for Li Peng

OW2304172694 Beijing XINHUA in English 1715
GMT 23 Apr 94

[Text] Bishkek, April 23 (XINHUA)—President A. Akayev hosted a grand banquet this evening to welcome Chinese Premier Li Peng, who is here on an official visit to Kyrgyzstan.

Akayev said Li's speech delivered in Tashkent on China's four-point basic policy for developing relations with the Central Asian nations left a deep impression upon the Central Asian nations, and will produce a far-reaching impact on the peace and stability in this region.

President Akayev spoke highly of China's economic achievements, saying China has found the correct path of development and is a successful model of revitalizing the economy among the developing nations.

Li Peng said his tour of Central Asia aims to deepen mutual understanding, promote friendship and expand cooperation. He believed that such a goal would surely be achieved.

Li said China also faces difficulties and problems on its path ahead. However, "We have full confidence to overcome the difficulties and push ahead with our cause."

He believed that the Kyrgyz people have the ability and wisdom to overcome the temporary difficulties, achieve fresh progress on the path of development, and gradually realize prosperity."

The Chinese premier pledged that China would always live friendly with the Central Asian nations, as well as with Russia and other neighboring countries in the north.

Li Peng, Kyrgyz President Discuss Border Issues

OW2304203694 Beijing XINHUA Domestic Service in Chinese 1207 GMT 23 Apr 94

[By reporters Ju Mengjun (0215 1322 6511) and Hu Xiaoguang (5170 2556 0342)]

[Text] Bishkek, 23 Apr (XINHUA)— Premier Li Peng and Kyrgyz Republic President Askar Akayev held 150-minute talks at the Government Building this morning, during which they had an in-depth exchange of views on relations between the two countries and on regional issues. The talks proceeded in a cordial and friendly [qin qie you hao 6024 0434 0645 1170] atmosphere.

President Akayev first warmly welcomed Premier Li Peng to the Kyrgyz Republic. Akayev said emphatically: In his important speech in Tashkent, Premier Li Peng set forth China's clear-cut principles for developing good-neighborly and friendly relations with Central Asian nations. These principles are of great significance to peace and stability in Kyrgyzstan and in the entire Central Asian region. He maintained that China, as a permanent member of the UN Security Council, plays a special positive role in international affairs.

Akayev noted: As a young country that became independent not long ago, Kyrgyzstan needs to learn from China's experiences, including those in international activities. He expressed the hope that diplomats from the two countries would maintain consultations and strengthen cooperation in international organizations.

Premier Li Peng first conveyed President Jiang Zemin's cordial greetings to President Akayev. Li Peng said: China and Kyrgyzstan share a common border and a traditional friendship. Relations between the two countries have developed smoothly since Kyrgyzstan became independent. For its part, China is willing to work hard to deepen this friendship continuously. Akayev asked Li Peng to convey his regards to President Jiang Zemin, as well as his invitation to the latter to visit Kyrgyzstan.

Akayev said: Strengthening cooperation with China in various fields—political, economic, scientific and technological, and cultural—is in the paramount interests of the Kyrgyz nation; it also represents a priority in Kyrgyzstan's foreign policy. President Akayev agreed with the idea proposed by Premier Li Peng for building a new silk road. He said: Kyrgyzstan will work toward this goal so that the new silk road will become a path of cooperation and friendship. He noted: Kyrgyzstan will always see China as a friendly neighbor of Central Asian nations, as well as a cooperative partner that inspires mutual trust.

On the Sino-Kyrgyz border issue, the two sides maintained unanimously: At present, it is necessary to expeditiously turn previously concluded agreements into a legal form and implement them accordingly. Meanwhile, friendly negotiations on some remaining issues should be continued. In light of sincerity on both sides, it is believed that the border issue between the two countries will be successfully resolved in the not-too-distant future. Li Peng said: Reaching a border agreement at an early date will be of great significance to strengthening Sino-Kyrgyz relations. It is hoped that the border

between the two countries will become a bond of peace and friendship, as well as a bridge leading to economic prosperity.

Akayev said: Economic cooperation and trade between the two countries have shown strong momentum. China has become an important trade partner of Kyrgyzstan's. Kyrgyzstan hopes to raise economic relations and trade between the two countries to a new level. Chinese enterprises are welcome to invest in Kyrgyzstan. He noted: Some of the joint ventures that Kyrgyzstan set up along with China's Xinjiang region have yielded positive results; there is still vast potential in this regard. Akayev also spoke highly of fruitful cooperation between scientific and technological personnel from the two countries.

Li Peng said: China and Kyrgyzstan should strengthen cooperation in such fields as economics, trade, science and technology, and culture. He noted: "Since Kyrgyzstan became independent, trade between the two countries, border trade in particular, has grown substantially. I agree that economic relations and trade should be further expanded on the basis of equality and mutual benefit. The Chinese Government adopts a positive attitude toward investment by Chinese entrepreneurs in Kyrgyzstan."

Premier Li Peng added: China supports the maintenance of friendly relations among Central Asian nations and between Central Asian nations and Russia. President Akayev said: The relations between Central Asian nations and Russia have been formed over the years, and it is very important to maintain good relations with each other.

The two leaders also had an in-depth exchange of views on some regional issues.

Li Peng, Kyrgyz Speaker View Parliamentary Exchanges

OW2304211694 Beijing XINHUA Domestic Service in Chinese 1501 GMT 23 Apr 94

[By reporters Ju Mengjun (0215 1322 6511) and Hu Xisoguang (5170 2536 0342)]

[Text] Bishkek, 23 Apr (XINHUA)—Visiting Premier Li Peng met Medetkan Sherimkulov, chairman of the Kyrgyz Supreme Soviet, this afternoon.

Li Peng first gave Sherimkulov a briefing on the Chinese National People's Congress (NPC) and the Chinese People's Political Consultative Conference. He said: The legislative bodies of China and Kyrgyzstan have laid a good foundation for cooperation. It is hoped that the parliaments of the two countries will further strengthen exchanges at all levels in the future. He expressed the belief that joint efforts by the leaders, parliaments, and peoples of the two countries would bring about even greater development in Sino-Kyrgyz relations.

Sherimkulov welcomed Li Peng to Kyrgyzstan. He said that the two countries have always maintained fraternal friendly relations, that his visit to the great China last

May had given him a very good impression, and that he had witnessed China's successful integration of socialism with the market economy. Sherimkulov asked Li Peng to extend his cordial greetings to Qiao Shi, chairman of the NPC Standing Committee, saying that he expects to receive Qiao Shi in Kyrgyzstan at an early date so as to usher in a new stage of contacts between the legislative bodies of the two countries.

Kyrgyz President Akayev Feted Li Peng
OW2404053894 Beijing XINHUA Domestic Service in Chinese 1705 GMT 23 Apr 94

[By RENMIN RIBAO reporter Xu Hongzhi (6079 1347 3112) and XINHUA reporter Zhou Shuchun (0719 2885 2504)]

[Text] Bishkek, 23 Apr (XINHUA)—Akayev, president of the Republic of Kyrgyzstan, gave a grand banquet at the Wucaiunshan [name as received] Guesthouse, which is located at the foot of Tian Shan, this evening to warmly welcome Premier Li Peng and his party.

Akayev delivered an ebullient speech first. He spoke highly of Premier Li Peng's speech in Tashkent and said: China's four cardinal principles for developing relations with the Central Asian nations have deeply impressed these countries, including Kyrgyzstan; they are in the interests of the peoples of all Central Asian nations and will have a far-reaching impact on maintaining peace and stability in the region. He said: Li Peng's remarks that China will always be a good friend and neighbor of all Central Asian nations reached every family in the region within a couple of days.

Akayev added: The whole world knows that under the guidance of Deng Xiaoping, the reverend chief designer, reform and opening up have brought about astonishing economic development in China in the late 20th century. He praised China for having found the correct path of development and having become a successful model of revitalizing the economy among developing countries.

Premier Li Peng said in his reply: "My visit to four Central Asian countries is aimed at deepening understanding, promoting friendship, and expanding development. Judged by the conditions in the three countries I have visited, this goal will surely be achieved."

He said: "His excellency the president has just highly evaluated China's achievements over the past decade or so, and I extend my sincere gratitude for his remarks. However, I would also like to say that China has indeed undergone some significant changes, but we have also met with some difficulties and problems in the course of forging ahead. We have the confidence that, under the leadership of the CPC Central Committee with President Jiang Zemin as the core, we will overcome one difficulty after another and constantly push our cause forward."

Li Peng said: Situations differ in various countries; all countries should search for a course of development

suitable to their respective conditions, and Kyrgyzstan is doing this presently. He said: It is hard for a young country which has just become independent to avoid having some difficulties, and "I believe that the Kyrgyz people have the ability and wisdom to overcome the temporary difficulties, to constantly achieve fresh progress on the path of development, and to gradually realize prosperity."

Li Peng said: The towering and giant Tian Shan will not cut off the friendship between the peoples of China and Kyrgyzstan; it should become a link connecting the two countries. China will always live in a friendly manner with Kyrgyzstan and other Central Asian nations, as well as its northern neighbors such as Russia, and it will always seek common development through mutual benefit and cooperation.

Zhu Lin, Premier Li Peng's wife; Ismail Amat, state councillor and minister in charge of the State Nationalities Affairs Commission; Qi Huaiyuan, director of the Office of Foreign Affairs under the State Council; and others were invited to the banquet. Also attending the banquet were President Akayev's wife; Prime Minister Dzhumagulov and his wife; Supreme Soviet Chairman Sherimkulov and his wife, and other high-ranking Kyrgyz officials.

Li Peng, Businessmen Sign Accords in Kyrgyzstan
*OW2404032094 Beijing XINHUA in English 0125
GMT 24 Apr 94*

[Text] Bishkek, April 24 (XINHUA)—China and Kyrgyzstan have signed a dozen documents on bilateral cooperation, including some between the enterprises of the two countries.

These documents were signed during Chinese Premier Li Peng's visit to Kyrgyzstan, the third leg of his current five-Asian-nation tour.

Among the inter-governmental documents are an agreement on China providing loans to Kyrgyzstan, an accord on setting up a joint committee of trade and economic cooperation and an exchange of notes on China presenting a batch of materials to Kyrgyzstan.

The documents also include an agreement on developing cultural cooperation and the instruments of ratification for the consular agreement between the two countries.

Meanwhile, a delegation of Chinese entrepreneurs accompanying Premier Li Peng on the visit signed an agreement, a contract and four letters of intent.

The China Council for the Promotion of International Trade signed an agreement with the Kyrgyz Chamber of Industry and Commerce on developing cooperative ties.

The China National Textiles Import and Export Corporation signed a contract to buy 30,000 tons of chemical fertilizer from Kyrgyzstan.

The letters of intent concern cooperation in the mining of gold and other rare metals and on setting up joint ventures in the field of construction and building materials.

XINHUA 'Newsletter' Hails Sino-Kyrgyz Friendship

OW2504034394 Beijing XINHUA Domestic Service in Chinese 0845 GMT 24 Apr 94

[“Newsletter” by reporters Ju Mengjun (0215 1322 6511) and Zhou Shuchun (0719 2885 2504): “Tian Shan, a Bridge of Friendship”]

[Text] Bishkek, 24 Apr (XINHUA)—Bishkek, situated at the foot of Tian Shan, has in the last several days been enveloped in an atmosphere of Sino-Kyrgyz friendship. The arrival of Premier Li Peng has further deepened and harmonized the friendship between the two peoples living on both sides of Tian Shan.

“Love begins with the first meeting.” President Akayev warmly used this Kyrgyz proverb to describe how Kyrgyzstan is developing its relations with China. Following talks with Premier Li Peng, he told us: “My understanding of China began with my visit to China in 1992. Premier Li Peng’s current visit to Kyrgyzstan serves to make him understand Kyrgyzstan better and to complete the stage of mutual understanding. The time for carrying out very effective cooperation has finally arrived.” Akayev made a general summary in the following terms of the development of relations between Kyrgyzstan and China since the two countries established diplomatic relations: “We have solved the three most important issues over the last two years. First, we have enhanced our neighborly and friendly relations. Second, we have laid a legal foundation for cooperation. Third, we have begun consultations on international and regional affairs.”

Kyrgyz leaders consider Premier Li Peng the “brother and friend” of the Kyrgyz people and they expressed deep emotion toward the honorable Chinese guest and toward the Chinese people. At many occasions, be it at the airport, at the elegant state guesthouse, and at the lively banquet, President Akayev and Premier Li Peng talked freely about friendship, exchanged views, and explored ways of cooperation. The scheduled one-hour official talks continued, as the passage of time was not noticed, for two and a half hours in a sincere and friendly atmosphere. At the ceremony for signing six important documents, the two leaders wore smiles of contentment.

Strengthening economic and trade cooperation was one of Premier Li Peng’s important intentions during the visit to Kyrgyzstan. He carried out with Prime Minister Abbas Dzhumagulov an in-depth exchange of views on some major cooperation projects in a pragmatic atmosphere. No sooner had the Chinese entrepreneurs who accompanied Premier Li Peng’s visit arrived in Bishkek than they got in contact with and held talks with their Kyrgyz counterparts. The two countries’ businessmen signed letters of intent for cooperation in engineering

projects and gold mining, as well as in other areas of mutual interest. As a matter of fact, Sino-Kyrgyz cooperation has already borne satisfactory fruits in some sectors. At the hotel where we stayed, we had the luck of enjoying Chinese-style noodles. The restaurant’s manageress told us that the instant noodles produced by “Ketelapu,” a Sino-Kyrgyz joint venture, are much loved by the Kyrgyz people and can be enjoyed at all local restaurants. President Akayev had also recently mentioned this noodle factory, which is a model for joint ventures, to Chinese reporters. Its fine dried noodles and instant noodles have not only met the demands of the Kyrgyz market but have also been exported to other countries, including Kazakhstan and Uzbekistan. Therefore, the Kyrgyz Government awarded the state’s highest honor certificate to Liang Chuansen, the former manager of this plant who had worked so hard to set up the plant.

“Expanding and deepening the cooperation between the two countries are quite necessary and will benefit the two countries.” This remark by Prime Minister Abbas Dzhumagulov speaks volumes about the wish shared by the business circles of the two countries.

Kyrgyzstan’s radio station began its morning broadcast amid melodious music. The first news report was Premier Li Peng’s goodwill visit to this mountainous country. The first video news report carried by the state television station’s evening news program was the lively scene of Premier Li Peng’s visit. Local media evaluated Premier Li Peng’s visit highly. To cite just a few of them: “Premier Li Peng’s visit to Kyrgyzstan is a major event of historical significance,” “His visit will turn a new page in the Kyrgyz-Chinese relationship,” “The friendly messenger from a great neighboring country is building a new Silk Road”.... Premier Li Peng’s remark that “China is willing to develop equal and mutually beneficial cooperation with countries in Central Asia” was broadcast over the radiowaves to hundreds and thousands of households. Information officials at the Kyrgyz Foreign Ministry told us that in the last several days, newspapers and radio and television stations in Kyrgyzstan have carried extensive report on China and have praised China’s recent construction achievements. In Tashkent, Premier Li Peng delivered a speech in which he declared in a firm and friendly manner that China will always be a “good friend and good neighbor” of the peoples of Central Asia. This has further left a deep impression in the minds of the people.

Under the bright sunshine, the rolling Tian Shan looks great and magnificent. Today, thanks to the efforts of the Chinese and Kyrgyz leaders, the mountain chain linking the territories of the two countries is becoming a strong link of friendship and cooperation between the two peoples.

China, Kyrgyzstan Sign Six Accords During Li Peng’s Visit

OW2404033694 Beijing XINHUA Domestic Service in Chinese 1604 GMT 23 Apr 94

[By reporters Ju Mengjun (0215 1322 6511) and Hu Xiaoguang (5170 2556 0342)]

[Text] Bishkek, 23 Apr (XINHUA)—Persons in charge of the relevant Chinese and Kyrgyz departments signed six documents here today. Premier Li Peng and Kyrgyz President Akayev attended the signing ceremony.

The six documents are: the agreement on a loan offered by China to the Kyrgyz Government; the agreement on establishing a mixed economic and trade committee between the Chinese and Kyrgyz Governments; an exchange of notes on goods and materials given as gifts to Kyrgyzstan by China; the Sino-Kyrgyz agreement on cultural cooperation; an exchange of instruments on the ratification of a consular treaty between the two countries; and the agreement on cooperation between the China Council for the Promotion of International Trade and the Kyrgyz Council of Industry and Commerce.

After the signing ceremony, President Akayev and Premier Li Peng, respectively, answered reporters' questions. Akayev spoke highly of the results of his talks with Premier Li Peng and noted: Premier Li Peng's visit will promote peace, security, and stability in the Central Asian region. He said he believed that the documents just signed by the two countries were very important to strengthening the good-neighborly relations and friendly cooperation between the two countries.

Premier Li Peng said: My visit has promoted bilateral friendship and understanding as well as laid a good foundation for further cooperation between China and Kyrgyzstan. He expressed his hope that the Central Asian region would enjoy stability and development and that the people's living standards would improve constantly.

Li Peng asked the Kyrgyz media to convey the Chinese people's regards to their Kyrgyz counterparts.

China, Kyrgyzstan To Start Drafting Border Treaty 'Soon'

*OW2504055094 Beijing XINHUA in English 0458
GMT 25 Apr 94*

[Text] Bishkek, April 25 (XINHUA)—China and Kyrgyzstan have pledged to start drafting a border treaty soon, it was announced here today.

The pledge was stated in press communiques issued by the two countries on Chinese Premier Li Peng's visit to Kyrgyzstan, which ends today.

During the visit, the leaders of the two countries positively assessed the border talks between a Chinese delegation and a joint delegation of Kazakhstan, Kyrgyzstan, Russia and Tajikistan, as well as talks on measures regarding mutual troop reduction in their border areas and confidence-building in the military field, the press communiques say.

"The two sides agreed to start work soon on drawing up a draft Sino-Kyrgyz border agreement, and meanwhile, continue negotiations on sections where agreement has

yet to be reached, so as to achieve satisfactory results at an early date," the documents say.

Pending a resolution on the border issue, the two sides will take measures to maintain the status quo of the border, in order to guarantee peace and stability in the border areas, according to the communiques.

More on Drafting Border Agreement

*OW2504085394 Beijing XINHUA in English 0831
GMT 25 Apr 94*

[Text] Bishkek, April 25 (XINHUA)—China and Kyrgyzstan will start drafting a border agreement, according to separate but similar press communiques issued by the two sides here today.

The communique, issued by the Chinese side at the end of premier Li Peng's four-day official visit to Kyrgyzstan, says that the two sides will continue to negotiate an early agreement on the unsettled border issue.

Pending a resolution of the issue, both have agreed to take steps to maintain the status quo of the border, so as to guarantee peace and stability in the border areas, the communique says.

Leaders of the two countries positively assessed the border talks between the Chinese delegation and the joint delegation of Kazakhstan, Kyrgyzstan, Russia and Tajikistan as well as talks on measures of mutual troop reduction in their border areas and confidence-building in the military field, according to the communique.

Meanwhile, the two sides are willing to expand the scope of bilateral cooperation in the political, economic, trade, cultural and other fields, it says.

They have agreed to further develop their trade and economic cooperation, including direct links at regional, provincial, city and border area levels, the document adds.

They will work for better conditions, including improved legal basis and economic infrastructure, for diversified forms of this cooperation, according to the communique.

Both sides have also expressed their willingness to strengthen cooperation in the building of a modern "silk road," holding that such collaboration would help expand the central Asian nations' economic and cultural exchanges with the East as well as with the West, the communique says.

During the visit, Premier Li had in-depth exchanges of views with Kyrgyz President A. Akayev, Prime Minister Abbas Dzhumagulov and Parliament leader Medetkan Sherimkulov [spelling of name as received] on ways of furthering bilateral relations and on regional and international issues of common concern.

The two sides have reiterated that they will strictly abide by the five principles of peaceful co-existence and maintain a long-term stable and friendly relationship of mutually-beneficial cooperation, which they said is in

keeping with the fundamental interests of the two peoples and will be conducive to peace, stability and development in Asia, the document says.

It says that the two sides believe that the situation in Asia-Pacific region is moving towards relaxation of tension and stability in general, and the maintaining of peace and stability in Asia conforms with the common interests of all countries in the region.

Both are willing to work for the safeguarding of peace and security in Asia in the light of its conditions and characteristics.

Furthermore, the two sides adopt a positive attitude towards multilateral economic cooperation in Asia, the document says.

Political stability and economic development of the central Asian nations not only serve the fundamental interests of all the peoples in this region, but are crucially important for preserving peace in Asia and the world at large, the communique says.

It also says that the Chinese Government supports Kyrgyzstan's efforts to stabilize domestic and regional situation and to develop the national economy.

In the communique the two sides have also agreed to continue frequent contact between leaders of the two countries.

Beijing Issues Communique on Li Peng Visit to Kyrgyzstan

OW2504110194 Beijing XINHUA Domestic Service in Chinese 0718 GMT 25 Apr 94

[Text] Bishkek, 25 Apr (XINHUA)—Both China and Kyrgyzstan today issued news communique on the visit of Li Peng, premier of the Chinese State Council, at the end of his visit to the Republic of Kyrgyzstan.

The communique said: Premier Li Peng held talks with Kyrgyz President Akayev and Prime Minister Abbas Dzhumagulov, and met with Parliament leader Medetkan Sherimkulov. In a friendly atmosphere of mutual understanding and trust, leaders of the two countries profoundly exchanged views on ways of furthering bilateral ties and on regional and international issues of common interest. They briefed each other on social, political, and economic situations in their respective countries. The two sides were satisfied with the results of their talks.

The two sides were satisfied with cooperative developments in political, economic, trade, cultural, and other fields since they established ties, and expressed the wish to further expand and deepen the scope of their cooperation in these fields.

The news communique said: The two sides reiterated that they will scrupulously abide by the five principles of peaceful co-existence, and maintain and develop a long-term and steady good-neighborly, friendly, mutually

beneficial, and cooperative relationship in keeping with the fundamental interests of peoples of the two countries and to promote efforts conducive to peace, stability, and development in Asia. The two sides are determined to continue to work hard in this regard.

The communique pointed out: Leaders of the two countries positively assessed [ji ji ping jia 4480 2817 6097 0116] the border talks between the Chinese delegation and the joint delegation of Kazakhstan, Kyrgyzstan, Russia, and Tajikistan, as well as talks on measures concerning mutual reduction of military forces in their border areas and confidence-building in the military field. The two sides agreed to start work as soon as possible on drawing up a draft Sino-Kyrgyz border agreement, and to continue negotiations at the same time on areas where agreement has yet to be reached, so as to achieve satisfactory results at the earliest possible date. Pending a resolution of the border issue, the two sides agreed to take measures to maintain the status quo on the border issue, so as to guarantee peace and stability in the border areas.

The communique said: The two sides agreed to further develop bilateral economic and trade cooperation and direct links, including those between border areas, provinces and regions, and cities. They agreed to improve the legal foundation and economic infrastructure, and work hard to create more favorable conditions for developing diversified forms of economic and trade cooperation.

The two sides expressed their willingness to strengthen cooperation in building a modern "silk road," holding that their cooperation would help expand economic and cultural exchanges between Central Asian nations and the East as well as the West.

The communique pointed out: The two sides believed that in general, the situation in Asia-Pacific region is continuing to move toward relaxation of tension and stability, and that maintaining peace and stability in Asian region conforms with the common interests of this region and countries in the world. The two sides are willing to work for the safeguarding of peace and security in Asia in accordance with the region's conditions and characteristics. The two sides adopted a positive attitude toward multilateral economic cooperation in Asia.

The two sides believed that political stability and economic development in Central Asian nations not only conforms with the fundamental interests of all peoples in this region, but are crucially important for preserving peace in Asia and the world at large. The Chinese Government supports Kyrgyzstan's efforts to stabilize domestic and regional situations and develop its national economy.

The communique also said: The two sides believed that maintaining frequent contacts and exchanges between leaders of the two countries is of great significance. They agreed to continue strengthening such contacts and exchanges.

Premier Li Peng gave his heart-felt thanks to government and people of the Republic of Kyrgyzstan for entertaining him and his entourage with warmth and friendliness.

Kazakhstan's Nazarbayev Notes 'Good Neighborly' Relations

OW2204155794 Beijing XINHUA in English 1453
GMT 22 Apr 94

[Text] Alma-Ata [Almaty], April 22 (XINHUA)—Kazakhstan President Nursultan Abishevich Nazarbayev said here today that the Chinese premier's upcoming visit will enhance the traditionally friendly relations between China and Kazakhstan.

He told XINHUA that the good neighborly relations between the Chinese and Kazakhstan people are centuries long, and many common elements bring the two peoples together.

He added that the joint statement on Sino-Kazakh friendly relations signed in Beijing last fall was an historic document of great significance, paving the way for long-term and steady development of bilateral relations.

On economic cooperation, Nazarbayev said that the two countries have established 150 joint ventures in Kazakhstan. He hoped these joint ventures will develop rapidly.

On the domestic economic situation, he said Kazakhstan is rich in natural resources and has tremendous potential economic power. But the disintegration of the Soviet Union has destroyed the economic connection between the former Soviet Republics. The economic situation and the people's lives have been seriously affected.

He said Kazakhstan is carrying out industrial structural reform aimed at transforming a raw material economy into a high-tech oriented market economy.

He added that Kazakhstan is creating investment laws to better attract more foreign investment, introducing more foreign technology and improving management.

XINHUA Interviews Kazakhstan President Before Li Peng Visit

OW2404114894 Beijing XINHUA Domestic Service in Chinese 0058 GMT 24 Apr 94

[By reporter Sun Zhanlin (1327 0594 2651)]

[Text] Almaty, 24 Apr (XINHUA)—President Nazarbayev of Kazakhstan pointed out that friendly relations between Kazakhstan and China cannot be reversed. He believed Premier Li Peng's visit to Kazakhstan would give fresh impetus to further developing traditionally friendly relations between the two countries.

President Nazarbayev made the above statement when receiving a written interview by a XINHUA reporter before Premier Li Peng's visit.

He said: Kazakh and Chinese peoples have been living as next-door neighbors for generations, exchanging visits with each other, and supplying each other's needs. Many common elements have brought us together. Kazakhstan has established ties with the PRC on the basis of equality, respect for independence and territorial integrity, and mutual non-interference in internal affairs. The joint statement on the foundation of Kazakh-Chinese friendly relations signed in Beijing last fall between leaders of the two countries was a document of historic significance which paved the way for long-term and steady development of bilateral ties.

On economic cooperation between the two countries, Nazarbayev pointed out that there are over 150 Kazakh-Chinese joint ventures and 13 Chinese shops in Kazakhstan. He hoped the number would continue to increase. He said emphatically: It is absolutely possible for Kazakh-Chinese economic and trade relations to develop faster. We can utilize Chinese investment to process raw and semifinished materials and export finished products to China.

On the domestic economic situation, Nazarbayev said: Kazakhstan has abundant mineral deposits and other natural resources and tremendous economic potential. However, the disintegration of the Soviet Union has destroyed the economic links between its republics and seriously affected the economic situation and people's lives. He pointed out: Kazakhstan is carrying out a systematic industrial structural reform to change its position as a producer of raw and semifinished materials, and to lay the foundation for modern high-technology production. He said emphatically: Kazakhstan's strategy for development is to build a market economy which will enable its economy to meet up with world standards in the shortest time possible.

President Nazarbayev said: Kazakhstan relies mainly on itself to push forward economic reform. However, it will not be able to reach its expected goal if it fails to extensively attract foreign investment, or if it does not possess advanced technology and techniques and modern management methods. He said: Kazakhstan is drafting a foreign investment law to set the stage for attracting foreign investment.

Northeast Asia

XINHUA Notes Hata Named Japanese Prime Minister

OW2504070294 Beijing XINHUA in English 0655
GMT 25 Apr 94

[Text] Tokyo, April 25 (XINHUA)—Tsutomu Hata was elected Japan's prime minister here this afternoon in both houses of Parliament.

He won 274 votes in the 511-seat lower house, and 127 in the 252-member upper chamber.

Hata, head of the second-largest party within Japan's ruling seven-party coalition, was thus chosen to succeed Morihiro Hosokawa, who stepped down because of a financial scandal on April 8.

Hata, 58 and foreign minister in Hosokawa's cabinet, is expected to form a new cabinet tonight, the second coalition government since last August.

Government Congratulates Hata

OW2504095294 Beijing XINHUA in English 0945
GMT 25 Apr 94

[Text] Beijing, April 25 (XINHUA)—China today expressed "heartfelt congratulations" to Tsutomo Hata on his being elected prime minister of the new Japanese Government.

In response to a question from correspondents, a Foreign Ministry spokesman said, "We would like to express our heartfelt congratulations to Mr. Tsutomo Hata on his election to prime minister of the new government at both House of Representatives and House of Councillors of the Diet this afternoon."

"Mr. Hata is a statesman well known to the Chinese people. We appreciate the zeal and vision he has shown for closer Sino-Japanese friendship and cooperation and the tremendous useful efforts he has made toward this end. We are confident that during his tenure of office, Sino-Japanese relations will surely develop further on the present basis," the spokesman said.

Column Views Political Situation

HK2504142794 Hong Kong TA KUNG PAO in Chinese
23 Apr 94 p 2

[("Political Talk" column by Shih Chun-yu (2457 0689 3768): "Hata Selected as Prime Minister, But Many Difficulties Remain in Japan's Political Situation")]

[Text] Two weeks after Japanese Prime Minister Morihiro Hosokawa resigned from office, it was still hard to find a new prime minister. Early yesterday morning, the seven-party coalition finally reached an agreement on the basic policy to be pursued by the new cabinet. It was decided that Tsutomo Hata, currently deputy prime minister and foreign minister, will succeed Hosokawa as prime minister. The post, which had gone unfilled for two weeks, was finally manned.

After repeated considerations, the ruling coalition still decided to select Hata. It is expected that when the two houses of the Diet vote next week, the opposition Liberal Democratic Party will nominate its leader Kawano to contend for the post, but it is certain that Hata will win majority support in parliament.

In the past two weeks, the Japanese political situation has been volatile, and political disputes have arisen again and again. The main problem is that the ruling coalition did not reach agreement on the basic policy it

will pursue in the future. When the bickering became fierce, those involved even threatened to break with each other.

The seven political parties within the ruling coalition are divided into two major factions. One faction is the mainstream faction headed by Shinseito [Japan Renewal Party] (Hata, Ozawa) and Komeito (Ichikawa), and the other faction is the non-mainstream faction formed by the Social Democratic Party (Kubo), the Democratic Socialist Party, and the Sakigake [Harbinger] party's Masayoshi Takemura (chief secretary in Hosokawa's cabinet). The two sides refused to concede on two major issues, namely, the new cabinet's tax policy and nuclear developments in Korea. In the end they made reciprocal concessions to each other in consideration of their overall interests and an instant split was prevented.

At present, the consensus reached by the ruling coalition on the taxation issue is an agreement to reduce direct taxes, improve or remove current consumption taxes, and greatly increase indirect taxes while calling for the nation's understanding.

The Social Democratic Party originally strongly opposed the option of substantially raising indirect taxes and held that this meant no tax reduction at all. It insisted that the new taxation system must be endorsed by the nationals. At present, the compromise is: The new taxation system being endorsed by the nationals is changed into "being understood by the nationals," and the bill concerned will be formulated by June this year.

As for the issue of nuclear development in Korea, both sides also reached a compromise. They agreed that according to the specifications of the Japanese Constitution, preparations be made against emergencies, and "close coordination be made with the United States and the ROK" and at the same time "cooperation be carried out with the Asian countries concerned if necessary."

The Social Democratic Party originally stressed "cooperation between Japan and China" on the Korean issue and opposed Japan's participation in sanctions against Korea. It worried that Japan might follow the United States, and once U.S. forces carried out a maritime blockade against Korea, the Japanese Self-Defense Force would support U.S. military action from the rear. Because the United States and Japan have signed a security treaty, if the United States acts recklessly, Japan could be entangled by events.

Shinseito's Ozawa proposed that Japan should take part in military missions by the United Nations. This evoked an outcry in society. Therefore, the Korean "nuclear mystery" is very sensitive in Japan. Because of the U.S.-Japan security treaty, if the United States or the United Nations takes action, Japan will have to make a choice.

Since Clinton took office, the United States has often overreacted to some local disputes in the world. Clinton once mentioned the option of taking preemptive action

on Korea's nuclear mystery, and this has naturally aroused Japan's nervousness, causing the Social Democratic Party to call for cooperation with China.

After Hata takes office, the weak points of the Hosokawa cabinet and such serious issues as political reform, the new taxation policy, Japanese-U.S. trade frictions, the new budget, and stimulating domestic demand will all be put before the new cabinet. It is expected that the Hata cabinet's workload will be no less arduous.

Japanese Diet Delegation To Visit 29 Apr
OW2504102794 Beijing XINHUA in English 0624
GMT 25 Apr 94

[Text] Beijing, April 25 (XINHUA)—A delegation from the House of Councillors of the Japanese Diet headed by its President Harabunbei will pay an official goodwill visit to China from April 29 to May 5, at the invitation of Chairman Qiao Shi of the Standing Committee of the Chinese National People's Congress.

A spokesman for the Chinese Foreign Ministry made the announcement here today.

Dismissal of ROK Prime Minister Examined
OW2304105594 Beijing XINHUA in English 0828
GMT 23 Apr 94

[“News Analysis” by Tang Shufu: “Kim Yong-sam Strives To Control Power”]

[Text] Seoul, April 23 (XINHUA)—The dismissal of Prime Minister Yi Hoe-chang on Friday [22 April] has demonstrated South Korean President Kim Yong-sam's strong determination to control the cabinet.

Yi Hoe-chang, chosen as the prime minister last December, suddenly tendered his resignation Friday to the president who immediately appointed Yi Yong-lok, deputy prime minister and National Unification Board (NUB) minister, to fill the vacant.

The new appointment is subject to approval by the national assembly which is expected to endorse it next Monday.

Yi Hoe-chang's resignation came just one day after he lashed out the decision-making process of President Kim's administration.

Yi Hoe-chang, who is called “Mr. Bamboo” for his uncompromising character, reportedly became furious when he was left in the dark about a major change in the government policy on the nuclear issue of the Democratic People's Republic of Korea (DPRK) at a recent strategy meeting.

The meeting, named the policy coordinating conference, opened under instruction from the president in response to the media and public criticism of the government's “inconsistency” in security policies.

The meeting, which was held on April 15, decided that South Korea would withdraw unconditionally its

demand on an inter-Korean envoy exchange as a precondition for the DPRK to hold further talks with the United States at high level.

Yi Hoe-chang also complained, apparently targeting the presidential staff, that a policy decision on the acceptance of all the DPRK's “escapees in Pyongyang-run logging camps” in Russia, who wish to settle in South Korea, was leaked to the press even before it was formally adopted by the cabinet.

On the other hand, Yi himself initiated steps to control the so-called “safe houses,” which are owned by police and other investigating authorities, without consulting the presidential office, which was reportedly annoyed by the presidential office.

A presidential official said the president's swift acceptance of Yi's resignation could be seen as a “dismissal.”

Kim said on several occasions that under the presidential government system, only the president is responsible for major state affairs.

The replacement of Yi, however, is expected to arouse strong criticisms on what the opposition calls Kim's “one-man rule,” political analysts here said.

The democratic party, South Korea's major opposition, said that it regretted Yi's resignation after having been held in checks by his rivals.

The dismissal of Yi, who had served as chairman of the board of audit and inspection until last December, spearheaded the non-military president's campaign to tighten his control of political power, the analysts noted.

NPC Vice Chairman Meets ROK Cultural Delegation

OW2204141294 Beijing XINHUA in English 1239
GMT 22 Apr 94

[Text] Beijing, April 22 (XINHUA)—Buhe, vice-chairman of the Standing Committee of China's National People's Congress (NPC), met here this afternoon with a delegation from the Culture and Arts Foundation of the Republic of Korea headed by its president Yi Song-chae.

They exchanged views on issues of common interest.

The five-member delegation arrived here on April 19 at the invitation of China's Ministry of Culture.

They are scheduled to visit Shanghai and Xian.

Southeast Asia & Pacific

Qiao Shi Visits Vietnam, Meets Party Officials

Meets CPV Delegation 22 Apr

OW2204132694 Beijing XINHUA in English 1242
GMT 22 Apr 94

[Text] Beijing, April 22 (XINHUA)—Qiao Shi, a top Chinese Communist Party leader, said here this afternoon that China treasures its traditional friendship with Vietnam and attaches importance to improve the good-neighborly relations and cooperation between the two countries.

Qiao, a member of the Standing Committee of the Political Bureau of the Central Committee of the Communist Party of China (CPC), made the remarks when meeting with a Vietnamese delegation headed by Hong Ha, secretary of the Secretariat of the Central Committee of the Communist Party of Vietnam [CPV].

The two peoples have enjoyed a long history of friendship and exchanges of visits, said Qiao, who is also chairman of the National People's Congress Standing Committee.

He said that bilateral cooperation has been expanded in various fields following the normalization of the bilateral ties between the two countries in November, 1991.

He added that under the present world situation, it is very important for the two countries to maintain frequent contacts and exchanges, to learn from each other and develop traditional friendship.

Hong Ha briefed Qiao on the economic and social developments in Vietnam since the beginning of this year and said he hoped cooperation between Vietnam and China would be strengthened, especially in the fields of economy and trade.

Further Report on Meeting

OW2404181694 Beijing XINHUA Domestic Service in Chinese 1232 GMT 22 Apr 94

[By reporter Zhang Yijun (1728 4135 0193)]

[Text] Beijing, 22 Apr (XINHUA)—At a meeting with Hong Ha, Communist Party of Vietnam Central Committee Secretariat secretary, and his party at the Great Hall of People this afternoon, Qiao Shi, Standing Committee of the CPC Central Committee Political Bureau and National People's Congress Standing Committee member, said: China cherishes its traditional friendship with Vietnam and attaches importance to improving the good-neighborly relations and cooperation between the two countries.

Qiao Shi welcomed Hong Ha and his party. He met with Hong Ha once in 1991. Both sides felt happy about this second meeting in Beijing after three years.

Qiao Shi said: The two peoples of China and Vietnam have enjoyed a long history of friendship and exchanges

of visits. Since the normalization of Sino-Vietnamese relations in November, 1991, the two countries have continuously expanded their friendly cooperation in all fields. The CPC and the Chinese Government treasure their traditional friendship with Vietnam and attach importance to improving the good-neighborly relations and cooperation between the two countries.

He added: Under the present complicated international situation, it is very important for the two countries to maintain frequent contacts and exchanges, to communicate with and learn from each other, and to develop traditional friendship.

Hong Ha extended greetings from Do Muoi, Le Duc Anh, and Nong Duc Manh, leaders of the Communist Party of Vietnam Central Committee, to CPC leaders Jiang Zemin, LI PENG, and Qiao Shi. He also briefed Qiao Shi on Vietnam's economic and social situation since the beginning of this year.

Hong Ha hoped the two countries would strengthen cooperation, especially in the fields of economy and trade.

Before this, Ding Guangen, member of the CPC Central Committee Political Bureau and CPC Central Committee Secretariat, and Hong Ha briefed each other on their own national situations and exchanged views on issues of common concern.

Hanoi Press Agency Reports Contact

BK2404153494 Hanoi VNA in English 1446 GMT
24 Apr 94

[Text] Hanoi VNA April 24—Mr Hong Ha, secretary of the Communist Party of Vietnam Central Committee, who arrived in China on April 20, was received in Beijing on April 22 by Mr. Qiao Shi, chairman of the National Assembly of China and political member of the Communist Party of China Central Committee.

During the reception, Mr Qiao Shi stressed that China and Vietnam were close neighbours, and the development of friendship and mutually beneficial cooperation conformed to the desire and tradition of the Vietnamese and Chinese peoples. He said China wished to further consolidate and develop its relations with Vietnam. He also spoke highly of the achievements recorded by the Vietnamese party and people in the current renovation process. He asked Mr Hong Ha to convey the greetings of Mr Jiang Zemin, Mr. Li Peng and other Chinese leaders to General Secretary Do Muoi, President Le Duc Anh, Prime Minister Vo Van Kiet, Chairman of the National Assembly Nong Duc Manh and other Vietnamese leaders.

For his part, Mr Hong Ha conveyed the regards from General Secretary Do Muoi and President Le Duc Anh to Mr Jiang Zemin, General Secretary of the CPC Central Committee and president of China, Mr. Li Peng, prime minister and other high-ranking officials Chinese. Mr Hong Ha expressed his admiration at the great

achievement recorded by the Chinese party and people in their economic reforms, and reaffirmed the Vietnamese party and people's respect for the strengthening of friendship and cooperation with China.

Earlier, Mr Hong Ha toured some economic and cultural establishments in Shen Tian and Tai Lian cities.

On April 22 Mr Hong Ha left China, concluded a three-day visit to China. [sentence as received]

Indonesian President Meets Visiting NPC Delegate

OW2504074594 Beijing XINHUA in English 0730
GMT 25 Apr 94

[Text] Jakarta, April 25 (XINHUA)—Indonesian President Suharto has said his country always attaches importance to cooperation with China and wishes to increase mutual exchanges in various fields.

In a cordial and friendly meeting with Wang Guangying, vice chairman of the Standing Committee of the National People's Congress of China, here today, Suharto said that Indonesia and China, both engaged in economic construction at present, could learn from each other's experiences on economic construction and technical field.

He said he always attaches great attention to the cooperation between Indonesia and China, and wishes the two countries carry out mutual exchanges not merely on economy, but also on social and cultural fields.

Briefing on Indonesia's domestic economic construction and experiences, the president stressed that stability, development and equal distribution are three basic principles in the country's economic construction. Only with stable situation, economy could develop, and only with developed economy, could equal distribution be realized, he noted.

Vice Chairman Wang Guangying, who is also the president of the Association of China-Indonesia Economic, Social and Cultural Cooperation, congratulated Indonesia for its economic achievements under the leadership of President Suharto. He said experiences in the economic construction gained by Indonesia as a big country with 180 million population are very valuable to China.

Philippines' Ramos Meets Visiting NPC Delegation

OW2504111594 Beijing XINHUA in English 1052
GMT 25 Apr 94

[Text] Manila, April 25 (XINHUA)—President Fidel Ramos today called for intensified economic cooperation between the Philippines and China, particularly in the field of science and technology.

Ramos made the call during his meeting with a Chinese National People's Congress [NPC] delegation led by Zhu Liang, chairman of the Foreign Affairs Committee.

He emphasized that the Philippines can benefit from China's advanced science and technology, saying he was impressed with China's laser laboratory in Beijing which he visited during his trip in China last year.

Ramos said that one of the agreements reached during the Asia Pacific economic cooperation meeting in the United States last November was the transfer of technology from developed countries to the developing ones, especially their science and applied technology for small and medium enterprises.

The Chinese delegation arrived here on April 21 after a visit to Thailand.

During its stay in the country, the delegation met with House Speaker Jose de Venecia, Senate President Edgardo Angara and Foreign Secretary Roberto Romulo.

The Chinese delegation is scheduled to leave for home on April 27.

Australian Official Tours Joint Research Center

OW2304195094 Beijing XINHUA in English 1420
GMT 23 Apr 94

[Text] Urumqi, April 23 (XINHUA)—A joint project between Australia and China on sheep research will be conducive to China's sheep raising, said visiting Australian Governor-General Bill Hayden after he toured the Sino-Australian Sheep Research Center here today.

Hayden said the project will play a positive role in popularizing new technologies and in improving the quality of sheep bred in China, which includes the sheep's hereditary features and mutton and wool quality.

To inspect the development of the project, the governor-general made a special trip to the Nansha [Spratty] sheep-breeding pastureland, located in the suburbs of Urumqi, capital of China's Xinjiang Uygur Autonomous Region, which was jointly set up by China and Australia. He checked and was satisfied with the wool of the sheep, which had been cultivated from Australian breeds.

The Sino-Australian joint project on sheep research was initiated in accordance with the technological cooperation agreement between the two countries. It is one of Australia's biggest aid projects to China in agriculture, in which Australia has invested 6.44 million Australian dollars.

The five-year project, starting from 1991, involves nine items and 30 subjects covering the fields of breeding, nutrition, reproduction, wool technology, pastures, and veterinary surgery as well as women's participation and development.

At present, 33 Chinese have been sent to Australia for long-term and short-term training sessions, while two Australian experts are working in Xinjiang.

A Chinese official with the research center said that the two Australian experts are working well here and the project has been developing smoothly.

To improve the teaching conditions of the school in the pastureland, the Australian Government has provided ten thousand Australian dollars and improved the laboratory of the school. One hundred thousand Australian dollars will help to establish a knitting mill, which will enable 80 Kazak women to get jobs, part of the effort to solve the Kazak nationality women's employment problems.

Governor Hayden highly praised such cooperation, which may promote the economy in the autonomous region inhabited by minority nationalities.

Near East & South Asia

Qiao Shi Holds Talks With Egyptian President *OW2204133894 Beijing XINHUA in English 1246 GMT 22 Apr 94*

[Text] Beijing, April 22 (XINHUA)—Qiao Shi, chairman of the Standing Committee of the Chinese National People's Congress (NPC), said here today that the NPC is willing to strengthen exchanges and cooperation with the Egyptian People's Assembly to promote friendly ties between the two countries.

Qiao pointed out that it is part of China's diplomacy to boost relations between its parliament and the parliaments of foreign countries.

He made these remarks in a meeting with visiting Egyptian President Mubarak.

During the meeting Qiao mentioned that Egypt was the first Arabian and African country to have diplomatic relations with China, adding that the peoples of the two countries enjoy a traditional friendship.

He noted that the two countries, having supported each other for a long time, have gained satisfactory achievements in bilateral cooperation in every field.

President Mubarak said that his people, holding deep feelings towards the Chinese people, admire the rapid economic growth which China has achieved in recent years.

He added that Egypt hopes to further enhance its ties with China and share the experience of China's economic reform and construction.

He voiced the hope that the two parliaments would promote contacts and friendship.

Qiao asked Mubarak to convey his greetings and an invitation to visit China to the Egyptian parliament's speaker, Ahmad Fathi Surur.

Mubarak also invited Qiao to visit Egypt, which Qiao accepted with pleasure.

More on Talks

*OW2204132994 Beijing XINHUA in English 1302
GMT 22 Apr 94*

[Text] Beijing, April 22 (XINHUA)—China supports the idea of expanding the U.N. Security Council at the proper time, China's foreign minister told his Egyptian counterpart in talks here today.

Qian Qichen, who is also a vice-premier, added that the regional distribution principle, especially how to reach balance between the developing and developed countries, should be taken into account in the reform of the U.N. Security Council.

'Amr Musa, Egypt's foreign minister, agreed with Qian's views on this issue. The two foreign ministers also reached extensive consensus on the international situation and bilateral ties in their talks.

Qian said that yesterday's talks between Egyptian President Husni Mubarak and Chinese President Jiang Zemin were very good, and he was convinced that the current visit of Mubarak would enhance Sino-Egyptian relations.

Musa said that in recent years, the bilateral ties had developed smoothly and steadily. The two countries should explore new ways of economic and trade cooperation in order to promote the equal and mutually-beneficial cooperative relations, he said.

Touching on the situation in Bosnia-Herzegovina, Qian said that China was deeply worried about the conflict in the region, which has lasted for a long time, and heartily sympathized with people there.

The Chinese Government sincerely hoped that all the parties involved would take the people's interests into consideration and at once stop the conflict and all hostile activities, Qian said.

China was also concerned with the deteriorating situation in Gorazde, he said, adding that the Chinese Government held that the problem should be solved by peaceful means rather than by actions which would make the situation more complicated.

China's foreign minister said that China, along with the international community, would continue to promote the peace process in Bosnia-Herzegovina, and spare no effort to help national reconciliation to be reached and people there to shake off the sufferings brought by the war.

Musa told Qian that Egypt was concerned about the problem, especially the suffering and unfair treatment of the Muslims in Bosnia-Herzegovina.

He pointed out that the United Nations and international communities should take effective actions to end the war in the region.

The two foreign ministers also discussed such problems as the situation in the Persian Gulf, the nuclear issue in the Korean peninsula, and the non-aligned countries movement.

Qiao Shi, Mubarak Discuss Relations
OW2404171594 Beijing XINHUA Domestic Service in Chinese 1227 GMT 22 Apr 94

[By reporter Zhang Yijun (1728 4135 0193)]

[Text] Beijing, 22 Apr (XINHUA)—When Qiao Shi, chairman of the National People's Congress [NPC] Standing Committee, met with Egyptian President Mohammed Hosni Mubarak in the Great Hall of the People this afternoon, he said China's NPC is willing to strengthen exchanges and cooperation with the People's Assembly of Egypt and to make vigorous efforts to jointly promote development of friendly cooperation between the two countries.

He said: It is part of China's overall diplomacy to develop relations between China's NPC and foreign parliaments.

Qiao Shi welcomed Mubarak's visit. He said: Egypt is the first Arabian and African country to establish diplomatic relations with China. A traditional friendship exists between the Chinese and Egyptian peoples; they have been supporting each other for a long time; and the achievements scored by the two countries in all fields of endeavor are also satisfactory.

He said: China and Egypt are developing countries. They play an important role in international affairs. The friendly cooperation between the two countries has important significance for their stability and prosperity as well as for world peace and development.

Qiao Shi said: Both China and Egypt are carrying out economic reform. In this regard, the two countries can conduct exchanges with and draw on the experiences of each other.

Mubarak said: The Egyptian people cherish deep feelings for the Chinese people and greatly admire China's rapid economic development in recent years. Egypt hopes to further develop relations with China and to share China's experiences in economic reform and construction. He expressed the hope that the parliaments of the two countries would increase contacts and promote friendship.

Qiao Shi also asked Mubarak to extend his greetings to People's Assembly President Surur and an invitation for him to visit China. Mubarak expressed thanks and invited Qiao Shi to visit Egypt. Qiao Shi accepted his invitation with pleasure.

Mubarak Tours Beijing Development Zone
OW2204191294 Beijing XINHUA in English 1325
GMT 22 Apr 94

[Text] Beijing, April 22 (XINHUA)—Egyptian President Husni Mubarak and his party visited the Beijing Experimental Zone for the Development of New Technology Industry (BEZ) here today.

Since it was set up in 1988, more than 3,800 new technology enterprises have settled in the zone, in which there are also 50 universities and colleges, and over 130 research institutes.

Mubarak and his entourage stopped briefly at the BEZ headquarters and visited the Beijing University Founder Corp. (group), whose major product is an electronic publishing system.

Mubarak toured the Beijing Huake Telecommunications Technology Development Corporation, which specializes in developing and manufacturing program controlled telephone exchanges.

Accompanying Mubarak on the visit were Xiao Yang, chairman of the Chinese Government Reception Committee and minister of justice, and Yang Fuchang, Chinese ambassador to Egypt.

Mubarak Visits Development Zone
NC2204150894 Cairo Arab Republic of Egypt Radio Network in Arabic 0802 GMT 22 Apr 94

[Remarks by President Husni Mubarak in response to questions from unidentified correspondents following a visit to the economic and technological development area in Beijing on 22 April—recorded]

[Text] [Correspondent] Mr. President, how do you view prospects for Egyptian-Chinese cooperation in the technological fields?

[Mubarak] There is cooperation between Egypt and China in many fields. I hope this cooperation will continue. China has a great deal of potential and capabilities and we can benefit from them. The similarity between Egypt and China in many aspects calls on us to maintain that cooperation and enhance it.

China is a Third World country. It is a big state that has strong determination. Everyone here must work; there is no room here for empty talk. I admire the Chinese for their determination to develop and progress. They see world progress and work to develop themselves. The type of development we have seen, in fields like journalism and communications, calls for admiration. China is a Third World state and we have always called for cooperation with it within the framework of south-south cooperation.

[Correspondent] How can we benefit from China's experience in increasing rates of development while sustaining political, economic, and social stability in the country in spite of the huge population, and how can this experience benefit us in economic reform and openness?

[Mubarak] You know that we always consult with China in the areas of development. China's development rate might have been very high. However, many disadvantages were involved. The Chinese decided to reduce these rates. When the rates resulted in very high standards, prices increased. A steep drop in these rates involved a number of problems, too. They are trying to determine the rate that suits the citizens most. This is exactly what we are doing. They keep social justice and the quality of the citizens' lives in mind. The same thing happens with us. In all our actions, we must see how the citizen will cope. Sometimes our citizens complain of increasing prices, but [words indistinct] are unavoidable. Problems arise [words indistinct] and it is the same with China.

[Correspondent] China is a nuclear state. What is the Chinese stance on your call for making the Middle East free from weapons of mass destruction, particularly nuclear weapons?

[Mubarak] I am making this call. Being a nuclear state itself, America is making the same call. Why should I talk about America or China? Why should I get involved in such an issue? All countries agree that the Middle East should be free from nuclear and chemical weapons.

[Correspondent] What about the talks between Your Excellency and the Chinese president?

[Mubarak] We have excellent relations with China. We are linked by very strong ties. The first time I visited China was on 17 April 1976, when I was vice president. As an Egyptian citizen, I share the same problems with the Chinese citizens.

We talked with the Chinese president about all international issues. We have almost the same views and have no differences as to how to tackle international issues. China has supported Arab rights in the Middle East issue from the outset. It has adopted noble stances regarding the Arab nation, particularly Egypt. Of course we discussed bilateral relations. I think that scopes of cooperation are very wide. Thank you.

Egyptian Foreign Minister Comments on Talks in Beijing

NC2204153494 Cairo MENA in Arabic 1300 GMT
22 Apr 94

[Excerpts] Beijing, 22 Apr (MENA)—Following meetings today with his Chinese counterpart Qian Qichen and the Arab and African ambassadors here, Foreign Minister 'Amr Musa said that the talks with Chinese officials dealt with bilateral relations and issues regarding investment, trade, and technical and economic cooperation.

The foreign minister said that the talks also touched on the international economic and political situation; the problems in Asia, Africa, and the Arab world; and the issues that are under discussion at the United Nations.

'Amr Musa said: We also discussed the UN and Security Council roles because China is a permanent member. We reviewed the ongoing study to increase the number of the council's permanent members.

Responding to a question about the issues focused on during talks with Chinese officials, the foreign minister said that the talks centered on all important issues, including the grave situation in Bosnia, the continued Serbian aggression, and the inaction prevailing at the Security Council. Musa added: We also discussed the existing problems in Africa, including the situation in Somalia, Rwanda, and the developments in South Africa. The talks also touched on Libya and the Lockerbie issue, Musa said.

Continuing, the foreign minister said: The talks also focused on developments in the Middle East peace process. The two sides discussed certain problems in Asia, such as the Korean problem and the situation in the Pacific, he added. [passage omitted]

Responding to a question on Egypt's ability to compete in the world market, the foreign minister said: Certainly, we can compete in the world market because everyone has a chance. Take, for example, countries like Malaysia and Singapore, who are part of the competition game. Egypt can do the same.

The foreign minister said that the trade balance between Egypt and China is estimated at \$200 million. We import Chinese goods worth \$140 million, and our export to China is \$60 million. [passage omitted]

Egyptian President Mubarak Ends Visit

OW2304034094 Beijing XINHUA in English 0327
GMT 23 Apr 94

[Text] Beijing, April 23 (XINHUA)—Egyptian President Husni Mubarak left here this morning, ending his three-day state visit to China.

Mubarak arrived here on April 21 for his sixth trip to China at the invitation of Chinese President Jiang Zemin.

Among those seeing President Mubarak and his party off at the airport were Xiao Yang, chairman of the Chinese Government Reception Committee and minister of justice, Chinese Ambassador to Egypt Yang Fuchang and Assistant Foreign Minister Wang Changyi.

Egyptian Ambassador to China Samir Burhan and diplomatic envoys from other Arab and African countries also went to the airport to bid farewell to Mubarak and his party.

Mubarak Arrives Home

OW2504093894 Beijing XINHUA in English 0903
GMT 25 Apr 94

[Text] Cairo, April 25 (XINHUA)—Egyptian President Husni Mubarak returned here early this morning after visiting the Saudi capital Riyadh, the last leg of a

seven-day tour that also took him to Oman, China, the United Arab Emirates and Bahrain.

During his visit to China, President Mubarak had talks with Chinese leaders on ways of promoting economic cooperation between the two countries, as well as a number of international issues of mutual interest.

The Egyptian president has agreed with Chinese leaders to set up a free zone for Chinese manufactures in Egypt, to form Sino-Egyptian working groups to coordinate and follow up the steps of cooperation in all fields, and to exchange expertise and delegations in the cultural, media and security fields.

President Mubarak's talks with leaders of the four Arab countries he visited during the tour dealt with ways of uniting Arab ranks, clearing the Arab atmosphere and supporting the Palestinian cause.

CPPCC Official Meets With Jordan's Prime Minister

OW2404193894 Beijing XINHUA in English 1916
GMT 24 Apr 94

[Text] Amman, April 24 (XINHUA)—Jordanian Prime Minister Abd al-Salam al-Majali today met with Wang Zhaoguo, vice chairman of the Chinese People's Political Consultative Conference (CPPCC) on the ongoing Middle East peace process.

Wang, who arrived here today with a 10-member CPPCC delegation on a four-day visit to the Kingdom, reiterated China's support for Jordan's position for a peaceful solution to the Middle East problem.

"The Chinese Government has consistently advocated a peaceful solution to the Middle East issue on the basis of relevant U.N. Resolutions," he said.

Wang said that as one of the U.N. Security Council members, China will continue to make efforts for a peaceful solution to the Arab-Israeli conflict so as to realize peace in the region as early as possible.

For the difficulties Jordan is facing, Wang said, China expressed its understanding and sympathy. China supports Jordan's rational demands, he added.

Wang, who came here at the invitation of Ahmed al-Lawzi, speaker of Jordan's senate, also introduced to the hosts the achievements China has gained in the reform and economic construction over the past 15 years.

On his part, al-Majali said Jordan has suffered a great deal in its effort to realize peace in the Middle East.

The prime minister asked China to exert its influence for a peaceful solution to the Middle East problem. He also called on the U.N. to shoulder the responsibility of implementing relevant U.N. resolutions, especially Resolutions 242 and 338, on the Middle East issue.

Earlier today, Wang met with al-Lawzi and discussed with him the Middle East peace process and bilateral relations.

Sino-Indian Military Expert Group Holds Meeting in Beijing

OW2304084594 Beijing XINHUA in English 0832
GMT 23 Apr 94

[Text] Beijing, April 23 (XINHUA)—Sino-Indian diplomatic and military expert group held its second session here from April 21 to 23.

The two sides discussed the issues of continuing to implement the agreement on the maintenance of peace and tranquillity along the line of actual control in the China-India border areas, which was signed by the two governments last year.

They also signed regulations on the work of the Sino-Indian diplomatic and military expert group.

The two sides agreed in principle that the next session will be held in New Delhi around the end of 1994.

Chinese Vice-Foreign Minister Tang Jiaxuan yesterday met with Shivshankar Menon, head of Indian expert group and joint secretary of North-East Asian Affairs Department of the Indian Foreign Ministry.

Border Talks With China Focus on Force Reduction

BK2304091494 Delhi All India Radio Network in English 0830 GMT 23 Apr 94

[Text] The two-day meeting of the Indo-China border expert group concluded in Beijing yesterday. It discussed among other things reduction of forces along the Line of Actual Control and other confidence building measures. The experts panel is part of the Indo-China Joint Working Group, JWG, which was set up in 1988. The JWG is scheduled to hold its next meeting in Beijing in the middle of the year.

Satisfaction Expressed Over PRC Border Situation

BK2304153694 Delhi All India Radio Network in English 1430 GMT 23 Apr 94

[Text] India and China have discussed further measures for the maintenance of peace and tranquility along the Line of Control and border areas. During the two-day meeting of India-China experts group which concluded in Beijing yesterday, the two countries expressed satisfaction at the peaceful situation on the Line of Actual Control following the confidence-building measures initiated by the two countries. The two sides reached an agreement on the work regulations of the experts group spelling out the mandate, tasks, and modalities to be followed. The document was signed yesterday.

West Europe

PLA General Meets Finnish Guests in Beijing 25

Apr

OW2504114194 Beijing XINHUA in English 1118
GMT 25 Apr 94

[Text] Beijing, April 25 (XINHUA)—Zhang Wannian, chief of the General Staff of the Chinese People's Liberation Army (PLA), met here today with Jan Klenberg, commander of the Finnish National Defence Forces, and his party.

Finnish guests arrived here today at the invitation of Zhang.

French Premier Balladur Terms Visit 'Complete Success'

OW2204032994 Beijing XINHUA in English 0316
GMT 22 Apr 94

[Text] Paris, April 21 (XINHUA)—French Prime Minister Edouard Balladur said here today that his recent visit to China was a "complete success" despite some "distorting" reports by certain French journalists.

Speaking on the Television France 1 this evening, Balladur stressed that China is a country with which "good relations should be maintained."

However, he added that before his visit to China earlier this month, relations between France and China "had not been very good."

But political dialogues with the Chinese leaders were resumed during his visit, he said, adding that his visit was thus "a success from this point of view."

He expressed indignation at certain French journalists who gave a distorting picture of his visit.

The French prime minister visited China from April 7 to 11.

Luo Gan Meets Visiting German Delegation

OW2104130694 Beijing XINHUA in English 1240
GMT 21 Apr 94

[Text] Beijing, April 21 (XINHUA)—Luo Gan, Chinese State Councillor and secretary-general of the State Council, met with a delegation from Germany's Baden-Wurttemberg State here today.

The two sides exchanged views on the enhancement of bilateral economic cooperation.

The delegation, headed by the state's Minister-President Erwin Teufel, is here as guest of the Chinese People's Institute of Foreign Affairs. It is accompanied by more than 100 entrepreneurs from Baden-Wurttemberg.

German Economic Delegation Visits Liaoning

SK2404052494 Shenyang Liaoning People's Radio
Network in Mandarin 1000 GMT 23 Apr 94

[Text] Wen Shizhen, executive vice governor of Liaoning Province, received the friendly delegation headed by (Elson Towpair), governor of Baden-Wurttemberg Lander of Germany, at the Youyi Hotel on the afternoon of 23 April.

During the reception Wen Shizhen extended a warm welcome on behalf of the province's 40 million people to the visit paid by the German friendship delegation. He said: The eight-year cooperative course traversed by the province and the lander has enabled us to realize that the potential of developing cooperation between the two sides and supplement each other with our strong points is tremendous and the prospects in this regard are broad. It is hoped that the governments of the province and the lander, as well as personages in various social circles, treasure the achievements scored in the cooperation and coordinate with each other in developing economic and technical cooperation so as to promote the development of friendly and economic relations between the province and the lander.

During the reception, Governor (Towpair) expressed thanks for the invitation extended and the enthusiastic hospitality shown by the Liaoning Provincial People's Government. After reviewing the several-year contacts made by both sides, he said: The visit paid by the 110-member friendship and economic delegation to Liaoning is aimed at strengthening the friendly relationship between the lander and the province and probing into the cooperation with Liaoning in the fields of economy, trade, culture, and education.

After the reception, Vice Governor Wen Shizhen held a working meeting with Governor (Towpair) on the matters regarding developing friendly relationship between the two sides in the future and promoting economic and technical cooperation. During the meeting, both sides exchanged opinions based on obtaining common understanding and probed into the plans.

In the morning of that day Quan Shuren, chairman of the Liaoning Provincial People's Congress Standing Committee, received in Shenyang the friendship delegation headed by (Elson Towpair), governor of Baden-Wurttemberg Lander of Germany. During the reception, Quan Shuren warmly welcomed the visit paid by the German delegation. He said: Since 1979, the province and the German lander have established the cooperative relationship and over the past 15 years the province and the lander have scored certain achievements in the exchanges and cooperation of the economy, education, and culture. Governor (Towpair) expressed appreciation for the enthusiastic reception given by Chairman Quan Shuren. After reviewing the several-year contacts made by both sides, he said: We are fully confident in the economic development of Liaoning after having witnessed the changes scored by Liaoning over the past few

years. Therefore, we organized a large friendship and economic delegation composed of 110 members and came to Liaoning to pay a visit. We are very interested in having economic cooperation with Liaoning. Quan Shuren also told Governor (Towpair) that the contact and cooperation between the Liaoning Provincial People's Congress Standing Committee and the ladder parliament should be enhanced in the future.

Attending the reception were Qi Zheng, Hu Jiyan, (Zhang Wenzhu), and Tao Jingyan.

Song Jian, Swedish Minister Discuss Technological Ties

*OW2304021094 Beijing XINHUA in English 0151
GMT 23 Apr 94*

[Text] Stockholm, April 22 (XINHUA)—Visiting Chinese Science Minister Song Jian today discussed technological cooperation with Alf Svensson, Swedish minister of international development cooperation and human rights issues.

They stressed that further efforts should be made to increase bilateral scientific and technological cooperation, especially in the field of environmental protection.

Song Jian, who is also China's State Councillor in charge of science and technology, arrived here on April 19 to take part in a symposium on policy-making for assisting the development of new technologies in developing countries. He is leaving here for home this afternoon.

During his stay here, Song also held talks with heads of the Royal Swedish Academy of Sciences and the Royal Swedish Academy of Engineering Sciences.

He also visited Ericsson Group's telecommunication equipments sector, the Forsmark nuclear station about 200 kilometers north of the capital, and Sweden's undersea nuclear waste disposal equipment.

Shandong Economic Delegation To Visit Switzerland

SK2304073494 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 22 Apr 94

[Text] At the invitation of Swiss-China Friendship Association, a six-member economic delegation of Shandong Province headed by Wang Shufang, vice chairman of the provincial people's congress standing committee, left Jinan for Beijing on the evening of 22 April. The delegation is going to pay an eight-day visit to Switzerland.

During the visit, the provincial delegation will conduct extensive contacts and exchanges with the personages in the fields of enterprises, the economy, and trade in Switzerland. It will also hold talks with the Swiss authorities on establishing friendly ties between the province and Switzerland.

NPC Spokesman Views Sino-British Relations

OW2204114994 Beijing XINHUA Domestic Service in Chinese 0943 GMT 22 Apr 94

[Text] Beijing, 22 Apr (XINHUA)—A spokesman of the External Affairs Committee of the National People's Congress [NPC] issued a statement today in connection with a report on Sino-British relations issued by the British Parliament's House of Commons External Affairs Committee. The statement severely denounces the British side for crudely interfering in China's internal affairs. The following is the full text of the spokesman's statement:

Since the beginning of last year, the British Parliament's House of Commons External Affairs Committee has held several hearings on the so-called China issue. On 13 April the committee published a report: "British-Sino Relations Before and After 1997." The report openly advocated [gu chui 7849 0706] the adoption of a policy of further confrontation against China on the Hong Kong issue and preposterously commented on China's domestic affairs, thus crudely interfering in China's internal affairs. In this regard we express our strong indignation and regret.

On the Hong Kong issue, the report actually admitted that the British side, proceeding from its erroneous appraisal of the prospects for the development of the situation in China, indeed changed its policy toward Hong Kong, supported Hong Kong Governor Chris Patten's erroneous way of doing things on the Hong Kong issue, continued to pursue confrontation against China, and even agitated for [gu dong 7849 0520] "international support" on the Hong Kong issue. We are shocked by the British Parliament's House of Commons External Affairs Committee's actually issuing such a document and adopting such a position on the Hong Kong issue at a time when the truth of the controversy between China and Britain over the question of the political system in Hong Kong is being understood by more and more people and when the British side indicated time and again its desire to cooperate with China in other spheres.

The report preposterously claimed that by 1997 China may not necessarily change the framework for the three-level political system established according to the Hong Kong governor's "three violations" program. The Chinese Government has stated many times that in order to safeguard the dignity of the Sino-British Joint Declaration and the Basic Law, the Legislative Council and regional organizations established according to the Hong Kong governor's program can exist only until 30 June 1997. After that, the first government of the Hong Kong Special Administrative Region [SAR], its Legislative Council, and regional organizations must be established according to the Basic Law. We resolutely support this solemn position of the Chinese Government.

The report went so far as to attack Article 18 and Article 158 of the Basic Law of the Hong Kong SAR of the

People's Republic of China, claiming that these articles are "a serious potential threat to the autonomy of the Hong Kong SAR and to the implementation of the joint declaration."

In accordance with the provisions of Article 18 of the Basic Law, the NPC Standing Committee has the power to decide, when necessary, to place Hong Kong SAR in a state of emergency. Article 158 of the Basic Law stipulates that the power of interpretation of this law shall be vested in the NPC Standing Committee. These provisions are concrete expressions that the Chinese Government resumes the exercise of sovereignty over Hong Kong beginning on 1 July 1997. The report's attack on these provisions is utterly unjustifiable; it only reveals British true motive to attempt to extend its control over and influence on Hong Kong.

The report takes great pains to advocate promotion of democracy and safeguard of human rights in Hong Kong. This only makes people see through more clearly British hypocrisy and ulterior motives on the Hong Kong issue. The Chinese Government has pointed out on numerous occasions that the essence of controversy over Hong Kong's political structure is not a question of, indeed, whether to develop democracy or not; rather it is a question of whether to observe international commitment and whether to bring about the convergence with the Basic Law and achieve Hong Kong's stable transition. Facts speak louder than words. It was the Chinese Government which, in accordance with the policy of "one country, two systems," at the earliest proposed practicing "a high degree of autonomy" in Hong Kong and "Hong Kong be governed by the Hong Kong people themselves." The Basic Law of the Hong Kong SAR also has adequate, specific provisions on the development of democracy and the rights and freedom to be enjoyed by the Hong Kong people after Hong Kong's return to the embrace of the motherland. Under the British rule of more than 100 years, when did Hong Kong enjoy democracy and human rights? Even today, Britain still uses "Letters Patent," "Royal Instructions," and similar statutes of colonial rule to govern Hong Kong. What qualifications does it have to talk glibly about Hong Kong's democracy and human rights? Now that only a few years before its withdrawal from Hong Kong, Britain hypocritically and hurriedly talks volubly about what it calls democracy and human rights. Its true motives are like "Sima Zhao's ill intent known to all" [the villain's design is obvious]. It merely tries to divide Hong Kong people and create chaos there.

The British House of Commons External Affairs Committee's report proposes the establishment of so-called human rights commission and human rights monitoring organization in Hong Kong. The goal is nothing other than to place new obstacles to Hong Kong's smooth transition. The British should understand that as in the case of the political framework, any decision unilaterally made by the British side during the transitional period on major matters spanning beyond 1997 will not be recognized by the Chinese side.

The report also brazenly attempted to meddle and interfere in China's internal affairs by openly advocating Tibet's self-determination. As is known to all, Tibet has been an inalienable part of the Chinese territory since ancient times. Before 1959, a feudal serf system was practiced there, which went even further than the system practiced in the Middle Ages in Europe in terms of darkness and cruelty. It is safe to say that old Tibet was one of the regions in the world where human rights were infringed upon most seriously. After abolishing the feudal serf system, Tibet has taken the broad road of national unity and economic development, with people living and working in peace and contentment. This is a change of epoch-making significance in safeguarding human rights and promoting social progress.

The writer of the report dislikes such change but extols those serf owners who trampled on human rights as "defenders of human rights." This greatly ridicules human rights. In fact, they did that in order to sabotage the unification and national unity of China. May we offer a piece of advice to the writer of the report—that it would be better to take a prudent attitude on the issue of Tibet because of Britain's historical role in the past. We want to sternly point out that all attempts to interfere in China's internal affairs by using the so-called Tibet issue will be resolutely opposed by the entire Chinese people, including the compatriots of Tibetan nationality, and that their attempts can never succeed.

The External Affairs Committee of the British House of Commons has also suggested that the British parliament should make contacts with Taiwan's "Legislative Yuan" and has asked the British Government to relax its restrictions toward Taiwan. It should be pointed out that there is only one China in the world, that Taiwan is a part of China, and that the People's Republic of China is the sole legitimate government representing the whole China. This has long been publicly recognized by the international society. The absurd remarks made by the Foreign Affairs Committee of the British House of Commons related to the Taiwan issue runs counter to the principle for the establishment of diplomatic relations between China and the United Kingdom. The real intention of the committee is to create "two Chinas" or "one China, one Taiwan." This will be resolutely opposed by the entire Chinese people, including people in Taiwan.

The report of the Foreign Affairs Committee of the British House of Commons also publicized "the Chinese threat" with an ulterior motive in order to sow dissension between China and her neighboring countries. All people know that China has always followed an independent, peaceful foreign policy. China is a positive factor in safeguarding peace and stability in the world. Those who fabricate "the Chinese threat" are totally groundless and their efforts will be futile.

The External Affairs Committee of the Chinese NPC has attached great importance to maintaining and developing friendly relations and cooperation with the Foreign Affairs Committee of the British parliament. The

Chinese side has never done anything which would harm the United Kingdom, the British parliament, or relations between the two countries. However, recently some people of the Foreign Affairs Committee of the British House of Commons have repeatedly done things which will harm relations between the two countries, while they have also stressed the need to maintain and develop Sino-British relations. People cannot but ask: What is their intention? Where do they want to lead relations between the two countries? We can say with certainty that the viewpoints and suggestions which are hostile to China put forward in the report are not only extremely harmful to Sino-British relations but will also bring harm to the long-term interests of the United Kingdom. We believe that those things will be disliked [bu yuan kan dao di 0008 1959 4170 0451 4104] by those who truly show concern for and protect the traditional friendly relations between China and the United Kingdom.

Further on NPC Spokesman's Criticism of British Report

OW2204131394 Beijing XINHUA in English 1243
GMT 22 Apr 94

[Text] Beijing, April 22 (XINHUA)—The Chinese Government and its entire people including compatriots of the Tibetan nationality are firmly opposed to any attempts to use the so-called Tibet issue to interfere in China's internal affairs.

These attempts will never be realized, said a spokesman for the Foreign Affairs Committee of China's National People's Congress (NPC) here today while commenting on a report related to the relations between Britain and China before and after 1997, issued by the Foreign Affairs Committee of the British House of Commons on April 13.

The spokesman said the report advocated self-determination of Tibet in an attempt to interfere in China's internal affairs.

It is known to all that since ancient times, he noted, Tibet has been an inalienable part of Chinese territory.

Before 1959, he said, a system of feudal serfdom was practiced in Tibet, an insidious oppression darker and more cruel than that of the Middle Ages in Europe.

The spokesman said old Tibet was one of the regions in the world which suffered most seriously from violations of human rights. After abolishing the serf system, Tibet began to march down the road of national unity, economic development and people living in peace and contentment.

This is a reform of epoch-making significance toward safeguarding human rights and promoting social progress, he said.

But the authors of the report do not like to see this kind of change. On the contrary, they describe the serf owners

who trampled human rights as "guards of human rights," which he said pokes great fun at human rights.

The purpose of making such claims is in fact to attempt to sabotage China's reunification and national unity, he said.

The spokesman said: "We advise them to take a cautious attitude toward the issue of Tibet in light of what part Britain has played in history."

The spokesman said the British House of Commons also suggests strengthening the ties between the British Parliament and Taiwan's "Legislative Yuan", calling on the British Government to ease its restrictions on Taiwan.

He pointed out that there is only one China in the world, and Taiwan is part of its territory. The government of the People's Republic of China is the sole legitimate government representing China, which he said has been recognized by the world community.

The spokesman said that the points of view on the issue of Taiwan by the Foreign Affairs Committee of the British House of Commons run counter to the principles concerning the establishment of diplomatic ties between China and Britain.

Its real aim is to create "two Chinas" or "one China, one Taiwan", which is firmly opposed by the entire Chinese populace including the people of Taiwan, he said.

The report also has the ulterior motive to advocate "China threat" so as to undermine the relations between China and its neighboring countries.

It is known to all that China pursues an independent foreign policy of peace and is a positive agent for safeguarding world peace and stability. So talk of "China threat" is totally groundless and works in vain. The spokesman said that the Foreign Affairs Committee of the NPC attaches great importance to maintaining and developing its friendly ties and cooperation with the Foreign Affairs Committee of the British House of Commons.

The Chinese side does not do anything harmful to Britain and the British Parliament as well as to Sino-British ties.

But, he said, some from the Foreign Affairs Committee of the British House of Commons have recently repeatedly done harm to Sino-British relations while stressing maintaining and developing Sino-British relations.

"We should ask what their motives are and where they will lead to in bilateral relations," he said.

It is certain that the views and suggestions against China that the report has raised will bring harm not only to Sino-British relations, but also to the long-term interests of Britain, he stressed.

"We believe that those who really care for and want to safeguard traditional and friendly bilateral relations are not willing to see such kinds of results," the spokesman added.

NPC Spokesman Criticizes British Committee's Report

OW2204130294 Beijing XINHUA in English 1237
GMT 22 Apr 94

[Text] Beijing, April 22 (XINHUA)—The Foreign Affairs Committee of China's National People's Congress (NPC) has today expressed its strong indignation and regret over the report on Sino-British relations issued by the Foreign Affairs Committee of the British House of Commons.

A spokesman for the NPC Foreign Affairs Committee said the report openly advocated the adoption of a confrontational policy toward China and made random comments on China's internal affairs while unscrupulously interfering in China's internal affairs.

The report issued on April 13 admits to the British side's change of policy on Hong Kong and its support of Chris Patten's wrong practices in Hong Kong, proceeding from its inaccurate assessment of the current situation and the prospects in China.

While continuing to adopt the policy of confrontation with China, the report even advocates seeking international support over Hong Kong issue.

The NPC Foreign Affairs Committee is shocked by the report at a time when the British side has repeatedly stated that it would cooperate with China on other issues now that the truth of the disputes on Hong Kong's political system has been made clear to the public.

The report has wrongly claimed that China will not necessarily change the three-level political framework established by the Hong Kong governor in violation of the Sino-British Declaration, the Basic Law of the Hong Kong Special Administrative Region and the bilateral understandings reached by the two sides before.

The report even openly attacked some articles in the Basic Law which provide that the NPC Standing Committee has the right to announce a state of emergency in Hong Kong when necessary and that the right to explain the basic law lies with the NPC Standing Committee. However, the report claims the articles as a serious potential threat to the Special Administrative Region of Hong Kong, thus revealing the true motive of the British side to attempt to prolong its control and influence over Hong Kong.

The promotion of democracy and the safeguarding of human rights in Hong Kong as advocated in the report has revealed the hypocrisy of the British side, the spokesman said. The essence of the disputes over Hong Kong's political system is whether or not to abide by international commitment and whether or not to ensure

the smooth transition of Hong Kong in line with the basic law. The basic law has provided adequate and specific provisions on the development of democracy in Hong Kong after the Special Administrative Region is established. There has been no democracy or human rights to speak of over the past century or more while the British codes for colonies have still governed Hong Kong. To make much fanfare about democracy and human rights just a few years before the ending of its rule over Hong Kong is nothing but to create confusion, the spokesman said.

The report also suggests that a human rights committee and human rights supervision agency be established in Hong Kong. The purpose is to create new barriers for smooth transition of the sovereignty over Hong Kong. The Chinese side will not recognize British unilateral decision on major affairs extending beyond 1997, according to the spokesman.

Jurists Repudiate UK Report on Hong Kong Basic Law

OW2504133694 Beijing XINHUA in English 1322
GMT 25 Apr 94

[by Gao Jianxin]

[Text] Beijing, April 25 (XINHUA)—Jurists here said that the recently-issued British report on Sino-British relations deliberately confuses right and wrong, tries to create chaos and wantonly interferes in China's internal affairs.

The British report referring to relations between Britain and China before and after 1997 was issued by the Foreign Affairs Committee of the British House of Commons on April 13.

The report indicated that in total disregard of the interests of Hong Kong residents, Britain insists on taking the path of confrontation with China, the jurists noted.

They said that the attacks launched by the report on the Basic Law of the Hong Kong Special Administrative Region serves to expose the ill intentions of Britain.

Every article of the Basic Law reflects the fundamental interests of the Hong Kong people, they said.

However, the report went so far as to attack Article 18 and Article 158 of the Basic Law as a "serious potential threat" to the autonomy of the Hong Kong Special Administrative Region and the implementation of the Sino-British Joint Declaration.

That attack is "untolerable and without any reason," the jurists said.

Article 18 of the Basic Law states that in the event of the Standing Committee of National People's Congress (NPC) deciding to declare a state of war or, by reason of turmoil within the Hong Kong Special Administrative Region which endangers national unity or security and is beyond the control of the government of the region,

deciding that the region is in a state of emergency, the central people's government may issue an order applying the relevant national laws in the region.

The jurists agreed that such a turmoil not only endangers national unity and security, but also seriously damages Hong Kong's stability and prosperity, as well as the safety of Hong Kong people's lives and property.

In the event of such a turmoil, China's central government must act promptly and the NPC Standing Committee must declare a state of emergency in Hong Kong, the jurists said.

Only by doing so will it be possible to put a swift end to the turmoil in order to maintain China's unity and security, and to ensure Hong Kong's stability and prosperity and Hong Kong people's lives and property, they pointed out.

The jurists explained that as regards other types of turmoil or riots, such as riots resulting from serious natural disasters, economic crisis or other social problems, as long as they do not endanger China's unity or security and are not so grave as to be beyond the control of the government of the Hong Kong Special Administrative Region (SAR), the Hong Kong SAR Government will handle them independently.

Anyone with common sense can conclude that the attack by the British report on Article 18 of the Basic Law is "totally groundless," the jurists said.

Article 158 of the Basic Law states that the power of interpretation of the Basic Law shall be vested with the NPC Standing Committee.

Jurist Wang Shuwen, who is also an NPC Standing Committee member, said that the Basic Law was formulated by the NPC Standing Committee, so its interpretation involves China's sovereignty.

That article also states that the courts of the Hong Kong SAR may also interpret other provisions of the Basic Law in adjudication cases.

It also stipulates that the NPC Standing Committee shall consult its committee for the Basic Law of the Hong Kong SAR before giving an interpretation of this law.

Half of the committee's 12 members are from Hong Kong.

Article 158 of the Basic Law makes sure that in adjudication cases, courts of the Hong Kong SAR enjoy a high degree of autonomy in interpreting all provisions of the Basic Law.

In attacking the two articles of the Basic Law, the Foreign Affairs Committee of the British House of Commons had ulterior motives, Wang said.

The articles 18 and 158 serve as a "reliable guarantee" for a high degree of autonomy of the Hong Kong SAR, Wang added.

Beijing Meeting in Held in Memory of UK Author, Activist

*OW2504113194 Beijing XINHUA in English 0748
GMT 25 Apr 94*

[Text] Beijing, April 25 (XINHUA)—A memorial meeting for Arthur Clegg (1914-1994) who died in Yorkshire in February, a long- time British friend of the Chinese people, was held here today.

He was one of the founders of the China Campaign Committee (CCC), which was set up in 1937 when the Sino-Japanese war broke out. He worked tirelessly to draw trade unionists, working-class activists and public figures into aiding and supporting China's resistance to Japanese invasion.

Clegg published three books on China: "The Birth of New China" (1943), "New China, New World" (1949), and "Aid China, 1937-49—A Memoir of a Forgotten Campaign" (1989).

Right until his death on February 8, Arthur Clegg showed a keen interest in China's modernization drive. He told his daughter that he appreciated China's "building a market economy within the framework of socialism".

He also expressed the belief that China would solve the Hong Kong problem well.

Among those attending today's meeting were Huang Hua, president of the China Society for People's Friendship Studies (CSPFS), and friends and former colleagues.

Israel Epstein, vice-president of the CSPFS, and Clegg's daughter Jenny Clegg were among those who spoke at the meeting.

Political & Social

Spokesman Reports Wang Juntao Released on Bail for Treatment

OW2304084994 Beijing XINHUA in English 0835
GMT 23 Apr 94

[Text] Beijing, April 23 (XINHUA)—Wang Juntao, who had been in custody, has left for medical treatment abroad after the Chinese judicial authorities released him on bail according to law on account of the conditions of his illness, a spokesman for the Ministry of Justice said here today.

The spokesman was answering a question from a reporter on the release of Wang Juntao.

Wang Juntao Released From Jail for Medical Treatment

HK2404035694 Hong Kong SUNDAY HONGKONG STANDARD in English 24 Apr 94 pp 1,2

[By Laura Beck and agencies]

[Text] Tiananmen Square "black hand" Wang Juntao left China yesterday after being released from jail to gain medical treatment abroad for severe hepatitis. Mr Wang's mother, Ge Yumei, said by phone that her son—sentenced in 1991 to 13 years' jail, in the heaviest sentence given to 1989 pro-democracy activists—was put on an early morning flight. Officials had arrived unexpectedly at her house at about 7 am and driven her to the airport, where she briefly met her son, she said, adding that she was unclear who had arranged or who had paid for the trip. Hong Kong legislator Lau Chin-shek said Mr Wang was last night on a flight bound for New York, where his wife Hou Xiaotian has been studying since last year. XINHUA NEWS AGENCY quoted a justice ministry spokesman as saying Mr Wang was released on bail "on account of the conditions of his illness".

A spokesman for the Hong Kong Alliance in Support of the Patriotic Democratic Movement in China, Lee Cheuk-yan, last night said: "We welcome such a move, but we are disappointed that he is a chip in MFN (most-favoured-nation) renewal. Just one move to benefit one dissident does not mean the human rights situation has changed in China," he said. Legislator Cheung Man-kwong said: "The main reason for Wang's release is because of MFN. We are sorry the Chinese government will use our people to get MFN." Mr Lau said: "I think Wang's release is for economic reasons. Because there is no freedom of speech in China, people voicing their opinions will continue to be arrested."

However, fellow dissidents welcomed Mr Wang's release, saying it appeared in part to be aimed at improving ties with Washington ahead of the decision which must be made by 3 June on the renewal of China's MFN trade status—which United States President Bill Clinton has linked to human rights improvements. "This

is the result of (U.S. Secretary of State) Warren Christopher's visit to China," Shanghai dissident Bao Ge said, noting that Mr Wang's case was highlighted on a list handed to the Chinese authorities by the US delegation in March.

But the decision to release Mr Wang at a time when the authorities are launching a concerted crackdown on dissidents also suggests the condition of his liver disease, contracted in jail before his trial, is now critical. The authorities had previously ignored lobbying by Ms Hou for her husband's release for treatment, and dismissed her claims that his illness was life-threatening. She left China in September. Mr Wang had been in a military hospital since June but Ms Hou said in October that the effectiveness of his treatment had been minimal because strict limits imposed on his freedom of movement continued to take a serious toll on his health. Ms Hou said she had been struck by his sharp deterioration and emaciation at their last meeting in September.

Mr Wang and fellow dissident Chen Ziming were labelled "the blackest of the black hands" behind the Tiananmen Square democracy movement and each was sentenced to 13 years for "counterrevolutionary propaganda and incitement". Both men had run a reformist think-tank associated with Zhao Ziyang, the former protegee of paramount leader Deng Xiaoping, who was ousted as communist party general secretary after the pro-democracy protests were violently crushed by the army.

Mr Cheung a member of the United Democrats and the Hong Kong Alliance, said they were concerned that the Chinese government had "kicked" Mr Wang out and would stop him returning, as happened with labour activist Han Dongfang. Mr Han, who spent 22 months in jail for his role in the 1989 protests, has been stranded in Hong Kong since August, when he made his first attempt to go home after being sent abroad a year earlier for treatment for his tuberculosis contracted in prison.

Mr Wang's mother said: "I'm happy for him to go abroad to cure his illness, but I'm unhappy because I don't know when I'll see him again."

Wang's Release Raises Hopes of Other Detainee Families

HK2504072594 Hong Kong SOUTH CHINA MORNING POST in English 25 Apr 94 p 8

[By John Kohut in Beijing]

[Text] The early release from prison of democracy advocate Wang Juntao calls into question the continued detention of other 1989 activists and is raising the level of both hope and indignation from the families of jailed dissidents.

"Theirs was the same case. Why not let Chen Ziming free?" said Wu Yongfen, the mother of Chen, who like Mr Wang was sentenced to 13 years in jail for allegedly

being one of the "black hands" behind what the Chinese Government calls an attempt to topple the Communist Party five years ago.

On Saturday, China announced the release of Mr Wang, allowing him to travel to the United States for medical treatment.

"It was a deal for MFN [Most Favoured Nation trade status]," Ms Wu said of Mr Wang's release. She said her family would press for the release of Chen. "We want more foreign pressure," she said.

The Chinese Government says the nation's laws make provision for the release of prisoners on humanitarian grounds but, in fact, China has used these legal provisions primarily as an excuse to make human rights concessions when it sees a political advantage from doing so.

While Mr Wang's wife Hou Xiaotian, had single-handedly launched a tireless campaign for the release of her husband, frequently meeting with the foreign press in on-the-record interviews, the families of Chen and other dissidents have kept a far lower profile.

Since the beginning of Chen's imprisonment almost five years ago, he has contracted a series of ailments, including a skin disease, high blood pressure, and heart trouble. His hair is falling out and his teeth are coming loose. Chen, ex-head of the Beijing Social and Economic Sciences Research Institute is being held in the Beijing No. 2 Prison.

"We want him to get the same as Wang Juntao. The case was the same. Wang Juntao was ill, so is Chen Ziming. Why let one go abroad and not let the other out on parole for medical treatment in China?" said Ms Wu.

"My concern is, who is the next?" said Bao Pu, the son of Bao Tong, the principal secretary of ousted Communist Party leader Zhao Ziyang. The elder Mr Bao is serving a seven-year sentence for allegedly "leaking state secrets." Mr Bao has had 17 polyps removed since being imprisoned in Qincheng Prison in 1989. The authorities say the polyps have so far been benign. His white blood cell count is well below normal and his carcinoembryonic antigen level has been increasing to well above normal, suggesting cancer. Doctors say Bao has thyroid tumours and suffers from salivary gland atrophy.

Recently Bao has been transferred to a hospital for treatment. While on the face of it, the principle of fair treatment would suggest that Chen, Bao, and other political prisoners should be released, analysts said the Chinese authorities might well decide to keep them in jail if they saw the release of Mr Wang as being enough to sway U.S. opinion towards renewing MFN.

Escaped Dissident Granted Asylum by Western Country

HK2304070594 Hong Kong *SOUTH CHINA MORNING POST* in English 23 Apr 94 p 1

[By Willy Wo-lap Lam and Chan Wai-song]

[Text] A rising star in the dissident movement has fled China and made his way safely to the West through Hong Kong. Informed sources said yesterday that Wang Jiaqi, 34, who was detained by Beijing police in early March for helping organise a petition for labour rights, arrived in Hong Kong last Friday. The sources said the dissident, a graduate student in the Law Faculty at Beijing University, was granted asylum by a Western country and left Hong Kong on Thursday.

Wang, a police officer for several years before his enrolment at Beijing University, escaped from a detention facility in his native Tangshan, a city in northern China where he was taken under heavy guard after his arrest. Chinese sources said the Ministries of Public Security and State Security had been ordered by the leadership to conduct a nationwide investigation of his daring escape and to take remedial measures to plug the loopholes.

Sources in the dissident community said that although Wang joined the pro-democracy crusade after the June 4, 1989 massacre, he was deemed a rising star because of his leadership qualities. Early this year, Wang reportedly formed a non-governmental labour organisation of 100 activists to press for such rights as freedom to strike. Two other leaders of the unit, Beijing University law lecturer Yuan Hongbing and veteran trade unionist Zhou Guoqiang, were detained with Wang. Yuan and Zhou, who are being held incommunicado in Beijing, are expected to be given at least two to three years of "re-education through labour", according to Western diplomats.

Aside from his association with the labour movement, Wang used his legal expertise to help a number of people sue the Chinese Government and enterprises for infringing their civil rights.

While in Hong Kong, Wang, who is in good health except for an ear infection, reportedly told friends he had great expectations of the pro-democracy and labour movements. Wang, who is divorced, expressed confidence that the crusade could be strengthened in spite of the recent spate of arrests of its leaders.

A Hong Kong government spokesman said yesterday that it was policy not to comment on "individual cases."

A spokesman for the Tangshan Public Security Bureau said he had no knowledge of the Wang case.

Qiaodao Lake Incident Suspect Wore 'Military Uniform'

HK2304072994 Hong Kong *EASTERN EXPRESS* in English 23 Apr 94 p 8

[By Bruce Gilley and agencies]

[Text] One of the three suspects arrested in the Qiandao lake massacre was a demobilised soldier who wore his military uniform to carry out the attack, it was revealed yesterday. Yu Aijun was still wearing part of his uniform when arrested last Sunday, the Beijing-run TA KUNG PAO reported. The brother of another suspect, Wu Lihong, serves in the paramilitary Peoples' Military Police in the Hangzhou military district. However the report said there were only three suspects in the case and no military involvement in the raid, in which 24 Taiwan tourists were killed on a pleasure boat on March 31. The director of Taiwan's National Security Bureau, Yin Tzung-wen, told members of parliament in a closed-door meeting on Wednesday that eight to 10 people were involved in the case and that a number of them were soldiers of the Peoples' Liberation Army (PLA). But with China denying the charge as "pure fabrication" and no evidence emerging to support the theory, calls began in Taipei yesterday for Yin to step down. "The issue is serious. If it was found later no mainland soldiers were involved in the case, he (the security head) should assume political responsibility for providing false information," an opposition MP, Chen Shui-hian, said. Opposition MPs said Yin should not to use false information to trick lawmakers into supporting the annual budget of the security bureau. It was during a meeting with opposition MPs to review the bureau's budget that the PLA charge was made. "As soon as the mainland government reveals all the details and completes court proceedings of the case, we will ask Yin and the military information bureau director to report to us how they handled the case," Chen said.

Taiwan officials also announced yesterday they would not allow expansion of imports from China until the completion of an inquiry into the incident.

Meanwhile, two journalists from the Hong Kong-based TVB Superchannel (TVBS), who were detained by police in Zhejiang on Wednesday, remained in Hangzhou last night. Ma Yu-yuen, a Taiwanese passport holder, and Cheuk Tak-ming, a Hong Kong resident, were detained and interrogated for reporting without permits when they arrived at the scene of the incident.

Former Soldier Suspect in Qiandao Lake Incident
HK2404060194 Hong Kong TA KUNG PAO in Chinese
22 Apr 94 p 2

[Special dispatch: "Dependents of Three Culprits Arrive at County Center To Attend Hearings; Yu Aijun Used To Be a Soldier; He Was in an Old Army Uniform When He Committed the Crime"]

[Text] Zhejiang's Chunan Qiandaohu, 21 Apr (TA KUNG PAO)—The dependents of the three culprits of the "31 March manslaughter case" were summoned to the county center, the town of Qiandaohu, to accept hearings after the case was uncovered.

The parents of chief culprit Wu Lihong [0702 3680 1347] returned home on the evening of 21 April. Wu's father is 58 years old this year, and his mother is 56 years

old; both are farmers. There are five brothers and sisters in the family, Wu being the youngest son. He has an elder brother and three married elder sisters. His brother graduated from the Hangzhou Armed Police Corps Cadet School and is now an armed police corps officer.

The Wus' house is located at Qianjiao village, Tongziwu township in Chunan County, by the side of Qiandao Lake. Six years ago, Wu's father spent some 10,000 yuan to build a new, six-room two-story house, with a floor space of some 170 square meters. According to Wu's father, his youngest son was an introvert in temperament, and had been good at his studies since he was young. Later, through an entrance examination, he was admitted to a local key high school, Qinghan Middle School. Later, he failed the entrance examination for senior middle school, being 10 points short. Consequently, he studied at home for two years and took the entrance examination again, but failed it once again. Last April, Wu borrowed 8,000 yuan from his elder brother, and another 2,000 from his father and a friend; in addition he took out a loan of 15,000 yuan. With this money, he purchased a 25-horsepower Shuixing-brand speedboat, thus starting his business of carrying tourists on the lake. Toward the end of last year, he sold the speedboat, and spent 68,000 yuan to purchase a 75-horsepower Yamaha 70-seat speedboat, in partnership with his good friend, Yu Aijun [0151 1947 6511], (another culprit in the same case), with which they continued the business of carrying tourists. Wu's father said that before the incident took place, Wu Lihong was doing business in the town of Qiandaohu, and seldom came home. He knew of his son's bad habit of gambling, but he knew nothing about his son's heinous crime.

Wu's father said that a person should bear sole responsibility for his actions, and he had a grasp of this truth. Now that his son had committed a heinous crime, it served him right to receive a stern legal penalty. The old man had faith in the people's government.

An accomplice of Wu Lihong was 23-year-old Yu Aijun [0151 1947 6511], a native of the city of Jiangde, in Zhejiang Province. He had been a soldier, and when apprehended, was wearing a worn Army uniform without insignia; he was a very handsome young man, at that.

The other culprit was 24-year-old Hu Zhihan [5170 1807 3466], a native of Chunan County, Qiandaohu Town. He was small in physique. His father worked at the Chunan Agricultural Bureau. During the trial, he sat with his legs crossed, making a confession of his crime behind iron bars. He was very logical when he spoke, and was the most eloquent of the three culprits.

The three culprits used to be schoolmates. During the trial, all of them looked and spoke with very clear train of thought. They told the police that they had worked on the plan for six months or so, and did not expect their case to be discovered; they expressed admiration for the police.

Central Leaders Attend Ren Bishi Birthday Forum
OW2304190594 Beijing XINHUA in English 1336
GMT 23 Apr 94

[Text] Beijing, April 23 (XINHUA)—A forum marking the 90th birth anniversary of Ren Bishi was held in the Great Hall of the People in Beijing today.

The forum was also held to mark the publication of the *Biography of Ren Bishi* and *The Chronicle of Ren Bishi's Life*.

Ren Bishi was one of the major leaders of the Chinese Communist Party (CPC) from the late 1920s to the early 1950s. He died at 46 in 1950.

Among those who attended the forum were party and government leaders including Jiang Zemin, Li Ruihuan, Zhu Rongji and Wang Hanbin.

Jiang Zemin called on all party members and the people of all nationalities to learn Ren Bishi's strong revolutionary will, party spirit, and lofty character so as to contribute to China's socialist construction.

Li Ruihuan called for efforts to promote the cause created by the old generation of proletarian revolutionaries.

Jiang Zemin Meets With Red Cross Society Members
OW2304163894 Beijing XINHUA in English 1625
GMT 23 Apr 94

[Text] Beijing, April 23 (XINHUA)—Chinese President Jiang Zemin encouraged the Red Cross Society of China (RCSC) to contribute more to world peace and development.

Jiang, also general secretary of the Central Committee of the Chinese Communist Party and the honorary director of the Red Cross Society of China, made the remarks during his meeting with the representatives attending the on-going 6th National Congress of the RCSC here today.

The president said that the RCSC, as an international organization engaging in humanitarian work in line with the basic principles of the International Red Cross Organization, has contributed much to China's development and become more and more popular among the people.

Jiang urged governments at all levels and the whole society to give their full support to RCSC members.

Grassroots organizations under the RCSC should learn from foreign experience in their work in accordance with practical domestic conditions, and emancipate their minds and work harder to promote the development of the Red Cross Society of China.

Chinese Premier Li Peng, away from China on his Central Asian tour, sent a message to the Congress, expressing his concern for the development of the Red Cross Society of China.

The RCSC, founded 90 years ago, now has 20 million members.

Jiang Zemin Urges Overcoming Forest Fire
OW2204150194 Beijing XINHUA in English 1321
GMT 22 Apr 94

[Text] Beijing, April 22 (XINHUA)—Jiang Zemin, general secretary of the Central Committee of the Chinese Communist Party (CPC) today urged continuous and concerted efforts to put out the forest fire in the Hulun Buir League (prefecture) of the Inner Mongolia Autonomous Region.

In his note to a report on the forest fire, Jiang Zemin, who is also the president of China, said: "I hope you will make an all-out effort, plan meticulously, issue careful directions, unite and coordinate steps and fight consecutive battles to put out the fire as soon as possible so as to make contributions to protecting the forest resources of the state."

The two fires started seven days ago. One is in the western section of the forest, which was reported to have been brought under control. The other is in the eastern and southern parts of the forest, which is still blazing, due to strong winds and difficult terrain.

The fire fighters, mainly forest police, armed police, border police, men of the People's Liberation Army and local people, are still fighting the fire.

Li Lanqing Chairs Anti-Smuggling Meeting
OW2304171194 Beijing XINHUA in English 1347
GMT 23 Apr 94

[Text] Beijing, April 23 (XINHUA)—China's anti-smuggling campaign has proved a success, and so far, large-scale smuggling has been contained, basically realizing the set target.

Information from the fourth meeting of the National Anti-Smuggling Leading Group, which was held yesterday, reveals that in the first quarter of this year, a range of localities and departments continued to implement the spirit of the national anti-smuggling working meeting held last August and adopted effective measures and strengthened comprehensive treatment in accordance with "hot" issues concerning smuggling in their localities.

As a result, in the past three months, 12 major coastal provinces, autonomous regions and cities cracked 2,348 cases of smuggling, involving goods worth 830 million yuan.

Compared with the fourth quarter of last year, the first quarter of this year dropped 23 percent in smuggling cases smashed and decreased by 34 percent in the total value concerned.

Vice-premier Li Lanqing presided over yesterday's anti-smuggling meeting, which set out concrete plans for anti-smuggling work in the upcoming months.

The vice-premier called for wide propaganda and education campaigns on anti-smuggling from time to time, and aroused the enthusiasm of all those concerned to strive for new successes in the anti-smuggling work. He also noted that the anti-smuggling struggle is a long-term and arduous one.

Zhu Rongji Chairs State Council Meeting on Public Order

OW2204191394 Beijing XINHUA in English 1411
GMT 22 Apr 94

[Text] Beijing, April 22 (XINHUA)—Chinese acting Premier Zhu Rongji presided over the 18th executive meeting of the State Council in Beijing today.

The meeting discussed and approved in principle draft supplementary stipulations to China's regulations governing offences against public order.

The meeting noted that since 1987 when the regulations were enacted, they have played an active role in maintaining social order and ensuring social stability.

It pointed out that it was necessary to make supplementary stipulations to the original regulations for further management of public order, protecting public security and interests and ensuring the smooth development of the reforms and opening to the outside world.

The draft supplementary stipulations will need to be approved by the Standing Committee of the National People's Congress.

Zhu Rongji acts as premier while Premier Li Peng is away on visits to five Central Asian countries.

Forestry Minister Visits Fire Fighting Site

SK2304084994 Hohhot Inner Mongolia People's Radio Network in Mandarin 1100 GMT 22 Apr 94

[Text] Forestry Minister Xu Youfang arrived at the forefront of the (Hongba) forest fire site on 20 April to direct the operation of extinguishing the fire. After hearing a briefing on efforts to extinguish the forest fire, Minister Xu Youfang relayed the following four directives by the State Council:

1. Efforts should be made to adopt practical and effective measures for the operation and to make use of topographical advantages to create a separation gap and to pay attention to watching the fire situation.

2. We should be determined to concentrate strong forces on waging a battle and make good arrangements for ensuring support services for the safety of personnel.

3. We should maintain close contact with the meteorological departments and be aware of weather changes at all times.

4. We should report the disaster situation to the State Council at all times.

Minister Xu Youfang said: The pine trees of Zhangzi species are rare and the forest zones of such trees are the state wealth. The State Council attaches great importance on the seed forest base of Zhangzi-species pine trees in the Honghuaerqu forestry administration bureau. Thus, the struggle against the forest fire is important and greatly significant. The organizational and commanding work undertaken by the headquarters to extinguish the fire should be keyed up and carried out in an orderly manner. Responsibilities for the operation should be clearly defined, in addition, the policies and orders should be carried out in a unified manner. Meanwhile, efforts should be made to ensure support services to avoid missing opportunities to fight the fire.

Leaders Praise Extinguishing of Fire in Inner Mongolia

OW2304184094 Beijing XINHUA in English 1307
GMT 23 Apr 94

[Text] Hulun Buir, April 23 (XINHUA)—The forest fire that has raged for days in the Hulun Buir League (prefecture) in northern China's Inner Mongolia Autonomous Region was put out by six o'clock this morning.

A joint message of greetings was sent today to all the fire-fighters by the Central Committee of the Chinese Communist Party, the State Council and the Central Military Commission.

The message praised the good job done by fire fighters despite unfavorable weather conditions.

There were no deaths or houses burnt, and damage to the forest was kept to the minimum, sources said.

Some of the fire-fighters have begun to leave the area, and it began to snow this morning in the forest. However, forest police stayed on to watch the final dying out of the fire.

A concentrated effort was made from about five o'clock yesterday afternoon when the wind weakened and the fire finally was completely extinguished by six o'clock this morning.

Sources at the fire-fighting command headquarters said that more than 7,000 policemen, People's Liberation Army soldiers and local workers joined in the efforts to extinguish the fire, which broke out seven days ago.

Jiang Zemin, general secretary of the Chinese Communist Party, and acting premier Zhu Rongji and other Chinese leaders had earlier sent messages to encourage the fire fighters.

Red Cross Society Opens National Congress in Beijing 23 Apr

OW2404143594 Beijing XINHUA Domestic Service in Chinese 0900 GMT 23 Apr 94

[By RENMIN RIBAO reporter He Jiazheng (0149 0502 2973) and XINHUA reporters Zhu Youdi (2612 1635 2769) and Yu Changhong (0060 7022 3163)]

[Text] Beijing, 23 Apr (XINHUA)—The Red Cross Society of China [RCSC] opened its sixth national congress in Beijing today. The congress adopted a name list of new leaders with Jiang Zemin as the RCSC honorary chairman; discussed outlines of the work programs between 1995 and 1999; and formulated working directives that "China should earnestly implement the Red Cross Society Law and strive to develop Red Cross undertakings with Chinese characteristics."

The RCSC marks its 90th founding anniversary in 1994. After holding consultations and restructuring in 1990, the RCSC has done a lot of work as a humanitarian organization providing social aid and relief. The RCSC was New China's first organ to regain its legitimate seat in international organizations. It has extensively launched nongovernmental diplomatic activities in its special capacity and has played an important role in publicizing New China in the international arena.

Under the care of the party and government in recent years, China's Red Cross undertakings have vigorously developed. They have achieved remarkable results in making preparations against disasters, providing relief during and after disasters, supplying social services and first aid for the masses, promoting blood donation among citizens, establishing Chinese bone marrow banks, and cultivating young Red Cross members. While launching various campaigns, the RCSC has advocated the spirit of caring for others, feeling good about helping people and self-sacrifice, and has thereby enhanced the socialist spiritual civilization drive. The RCSC has played a special role in linking cross-strait relations. It has actively promoted bilateral and multilateral exchanges with Red Cross societies from various countries and the International Red Cross Organization, and has boosted friendly international exchanges and cooperation. In May 1993, the RCSC successfully hosted the fourth Asia-Pacific regional meeting of the International Red Cross Society and Red Crescent Society in Beijing, which adopted the historically significant "Beijing Declaration." It fully demonstrated the RCSC's important role in the International Red Cross movement.

On 31 October 1993, the Eighth National People's Congress Standing Committee formally adopted the "Red Cross Society Law of the People's Republic of China," thereby indicating that China attaches great importance to and supports Red Cross humanitarian undertakings. The law has provided a legal guarantee for the development of Red Cross undertakings in China and for links with the International Red Cross movement. It was a landmark that China's Red Cross undertakings have entered a new historic phase.

State Councilor Peng Peiyun spoke at the opening of the national congress. She said: Red Cross undertakings are lofty and great endeavors that benefit mankind. They have bright prospects for development and need active participation and selfless sacrifices from more people. She urged governments at various levels and various social circles should continually support Red Cross

undertakings. She expressed the hope that Red Cross societies at various levels and the broad masses of their members would take into account China's reality; learn from useful foreign experiences; do a better job while executing their responsibilities and obligations as stipulated in the Red Cross Society; uphold professional ethics of "humanity and honesty"; and promote a work-style "stressing unity, performance of concrete tasks, and attainment of development and high efficiency" in an effort to make more contributions to "improving conditions of the most vulnerable groups" and to enhancing social progress.

The name list of the Sixth RCSC leaders adopted at today's meeting follows: Zhao Puchu, Wang Guangying, Li Peiyao, Qian Xinzong, Cui Yueli, and Chen Min-zhang are honorary vice chairmen. Chinese People's Political Consultative Conference Vice Chairman Qian Zhengying is chairman. Gu Yingqi is executive vice chairman. Fan Baojun, Yang Chongchun, Lin Yanzhi, Sun Boqiu, and Qu Zhe are vice chairmen. Li Changming is secretary general.

George (?Wilberson) [wei bo xiang 7279 0130 0686], the International Federation of Red Cross Society and Red Crescent Society secretary general, sent a congratulatory letter to today's meeting.

Customs To 'Crack Down' on Smuggling Activities

OW2404171794 Beijing XINHUA Domestic Service in Chinese 2125 GMT 12 Apr 94

[Text] Beijing, 13 Apr (XINHUA)—Aimed at curbing the increasingly worsening smuggling activities using fake customs certificates, seals, and customs officers' signatures since the beginning of the year, the General Administration of Customs recently issued a circular calling on customs departments nationwide to begin cracking down severely on smuggling activities using the "three fakes."

Since the beginning of the year, customs departments nationwide have uncovered over 20 major smuggling cases using the "three fakes." The value of these cases was some 90 million yuan, or about 35 percent of the total value of cases uncovered during the same period. Of these, automobiles have become the main target for smuggling using the "three fakes," as 90 smuggled automobiles were uncovered by customs officials in the first quarter alone. On 2 March this year, disguised under the names of three kinds of partially or wholly foreign-owned enterprises, as well as using fake customs' tax reduction and exemption certificates and seals, illegal elements smuggled into the country 11 automobiles but were uncovered by Jinan customs officials in one stroke. Besides automobiles, other goods uncovered were motorcycles, color television sets, steel products, and polyester fibers.

It has been learned that gangs who specialize in producing fake certificates and seals for use in reselling goods for profits have been uncovered in the society. In

smuggling cases using the "three fakes" uncovered by customs officials in various localities, illegal elements applied unscrupulous means to produce various fake customs seals and certificates. A certain company produced 17 fake copies of "Customs Certificates for Imported Goods" to obtain the tax-free status by cheating on 32 items, including motorcycles, for resale, and was uncovered by the Shenyang Customs Department; and a certain company employee teamed up with others to illegally make two customs seals as well as 29 books of registration certificates for ship crews and their goods for resale activities, and was discovered by the Dalian Customs Department. Further, in the middle of March, the Kowloon Customs Department discovered the activities of producing fake customs penalty and confiscation certificates as well as covering up the illegal sources of goods.

As smuggling activities using the "three fakes" have seriously sabotaged the normal order of import and export trade, causing great damages to the country, it is necessary to severely crack down on such activities. It is understood that the General Administration of Customs has made specific arrangements on organization and leadership, key task areas, and plans of action for local customs officials to severely crack down on the "three fakes" smuggling activities.

Commentator Urges Society To Show Concern for Orphans

HK2504110194 Beijing RENMIN RIBAO in Chinese
22 Apr 94 p 4

[Commentator's Article: "Let the Entire Society Show Concern for the Growth of Orphans"]

[Text] Jiang Zemin, Li Peng, and Qiao Shi have written inscriptions respectively for the "social welfare plan to help raise and educate orphans on China's mainland" (also called the plan to save orphans), calling on all sectors of society to concern themselves with the growth of orphans. This indicates that the party and government, as well as the general public, are very much concerned about the healthy growth of children and attach great attention to developing socialist undertakings supporting the poor and orphans.

The Chinese government has always paid great attention to developing social undertakings of supporting the poor and orphans, one task of the undertakings being to protect the orphans' right to live. The government has formulated relevant laws and regulations, mapped out plans for the growth of youngsters, including orphans, and set up social welfare institutions to adopt orphans. Central and local governments provide funds to support orphans every year. Various localities have provided special workers to take care of orphans and set up a number of relevant scientific research institutes and organizations for rehabilitating and training orphans. In helping the orphans, many people in society were so warm-hearted that they produced many moving stories.

With affectionate support from the party and government and from those who are not but are even dearer to them than their relatives, a great number of orphans have grown up and have worked hard on various fronts to help build up the country and to repay society's kindness.

In general, China's undertakings to save and support orphans have developed healthily. However, in the process of building a socialist market economy, the work is facing many new problems, some of which are knotty, such as the greater number of orphans, a serious shortage of funds, poor quality of education, poor living conditions for orphans, and so on. All of these problems cry out for immediate solution.

Saving and supporting orphans calls for the persistent participation of all sectors in society. Governments at all levels must tighten up leadership over the work of saving and supporting orphans and should mobilize and organize all social forces to raise and educate orphans in a down-to-earth manner. Civil affairs departments at all levels, which are functional departments in charge of the work, must conscientiously implement the State Council's regulations on protecting children, strengthen research in relevant legislation and policies, set up and improve regional social welfare networks with all-inclusive functions, encourage more volunteers to join in the work, explore new ways to save and support orphans in various types of regions, and focus on saving and supporting orphans in the countryside. All types of social welfare organizations must earnestly perform their duties in raising, protecting, and educating orphans; and deepen reforms, improve management, and promote the development of social welfare organizations in surrounding areas. It is imperative to try in every possible way to find more sources of funds for supporting orphans and improving service facilities to provide more services to orphans. Government departments concerned should energetically support operations to save and help orphans, providing sufficient funds and introducing appropriate policies.

Saving and helping orphans is a noble undertaking and also a traditional virtue of the Chinese nation. We should answer the party Central Committee's call by displaying the socialist humanitarian spirit, extending a helping hand, feeling sympathy for orphans, and concerning ourselves with the healthy growth of orphans. We expect that the activity to cultivate love for the Chinese nation and for orphans will become the order of the day throughout the country. The realization of the "plan to save orphans" will certainly usher in a blooming spring for China's undertaking to save and support orphans.

Commentator Views Ideological Work in Enterprises

HK2504095794 Beijing RENMIN RIBAO in Chinese
22 Apr 94 p 1

[Commentator's article: "Make Efforts To Resolve Contradictions—Strengthen and Improve Ideological and Political Work in Enterprises"]

[Text] The Eighth Annual Session of the Chinese Workers and Staff Ideological and Political Work Society analyzed the current situation in enterprise ideological and political work, summarized and exchanged experiences, and set forth the tasks ahead. This will play a positive role in further strengthening and improving enterprise ideological and political work.

On the whole, enterprise ideological and political work has been strengthened. Thanks to their awareness, positive attitude, and forceful measures, some enterprises have done a good job in this field and have scored marked achievements. However, there are some localities and enterprises which still lag behind in ideological and political work and have failed to meet the developing needs of reform, opening up, and the modernization program. This state of affairs must change.

We are promoting economic structural reform amid the swift operation of the national economy this year and are attaining rapid growth in the national economy amid the speedy process of switching systems. Hence, we are faced with a large number of contradictions and difficult problems. Different understandings of specific reform and construction issues is quite natural. When reform has reached a crucial stage, it gives rise to confused and complicated thinking and creates difficulties for ideological and political work. For this reason, ideological and political work is indispensable and well worth doing. Enterprises constitute an essential factor in the market, while workers are an important factor in enterprises. While strengthening and improving ideological and political work in the new situation, the most important thing is to proceed from the reality of workers' thinking, straighten out ideological problems, resolve contradictions, arouse all positive factors, turn negative factors into positive ones, and guide the enthusiasm of the broad ranks of workers to running the enterprise well and fighting for the supreme objective.

To straighten out ideological problems and resolve contradictions, the fundamental thing is to arm the broad ranks of workers with Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the party's basic line and policies, and to improve the ideological and political qualities of cadres and the masses. We should continue to publicize and study volume three of the "Selected Works of Deng Xiaoping" and the Decision of the Third Plenary Session of the 14th CPC Central Committee. In propaganda work, we should give explanations in connection with practice to allow everyone to understand the meaning rather than repeat or copy what books say. Theory is fundamental. Only when we seek unity of thinking theoretically, in line and in terms of major principles and policies, can the ideological problems be readily resolved.

It is man's social being which determines his thinking. The limitations of man's social being are inevitably reflected in his thinking. Therefore, talking frequently about the situation, the overall situation, achievements and experiences, and difficulties and problems should be

essential contents of ideological and political work. Through publicity on the current situation, we should enable the broad ranks of workers to have a correct understanding of the major economic structural reform plans introduced this year and have confidence in the policies and measures adopted by the government to stabilize the market and prices and dispel their misgivings. Through such education, we should also encourage them to keep the overall situation in mind, correctly understand the interest relations between the individual and the collective, between the part and the whole, and between the immediate and the long-term; stress idealism, discipline, unity, and the overall situation; and understand the reform, support the reform, and resolutely plunge themselves into the reform.

Showing concern for the well-being of the masses, attentively listening to their voices, and resolving difficulties for them are indispensable in straightening out ideological problems and minimizing contradictions. Our ideological and political work should be focused on propaganda. But this is not enough. Ideological and political work should be closely connected with the people's daily lives. Comrade Mao Zedong once said: If you want the masses to support the revolutionary war, you should show concern for their well-being. When we want the masses to support our reform today, we should also show concern for their well-being. Some workers' incomes have dropped because of the poor performance of enterprises. What should be done? Some enterprises are at the verge of bankruptcy and the workers are worried about their future? How should this problem be resolved? Because of poor social order in some localities, the masses lack a sense of security. How should we put an end to this state of affairs? With a high sense of responsibility to the people, enterprise leaders and leading local cadres should make strenuous efforts to resolve all of these problems, which are closely related to the interests of the masses, particularly "rice bags" and "vegetable baskets."

Leading cadres should set an example, be strict with themselves, keep themselves free of corruption, change their style, overcome bureaucracy and formalism, and resolutely fight against negative and corrupt practices. This will be of great significance to straightening out ideological problems and resolving contradictions. We should realize that the broad ranks of workers have the overall situation in mind. They have shown understanding of the difficulties and problems encountered in the course of reform. They do not care much about their limited benefits and making some temporary sacrifices for a period of time. But they cannot bear the attitude of a handful of leading cadres, who put on airs but who show no interest in the well-being of the masses. They cannot tolerate certain leading cadres, who, taking advantage of reform, abuse their power and office and seek private gain at public expense. To straighten out such ideological problems and resolve contradictions, fine sounding words will be to no avail. The only effective method is to take practical action to fight corruption, run a clean administration, and change work style.

Strengthening and improving ideological and political work is the job of political work departments and workers, as well as the whole party. Besides state enterprises, township, neighborhood, the three kinds of foreign-funded, and private enterprises all need enhanced and improved ideological and political work. Enterprise ideological and political work constitutes an important component of modern enterprise management. Numerous facts have proved that wise and successful enterprise leaders are those who pay great attention to ideological and political work and who are good at doing such work. How to do well enterprise ideological and political work in the new situation is a big and meaningful new topic. So long as we rouse ourselves, boldly make explorations, and think and do more to straighten out ideological problems and resolve contradictions at this crucial stage of reform, we will certainly be able to win the battle of ideological and political work and create more favorable conditions for "seizing the opportunity, deepening reform, opening up wider, promoting development, and maintaining stability."

Fraudulent Hong Kong Firms Find New Victims on Mainland

HK2404070094 Hong Kong *SUNDAY HONGKONG STANDARD* in English 24 Apr 94 p 2

[By Abdul Turay]

[Text] Hong Kong's whitecollar criminals are raking in hundreds of millions by swindling mainland businessmen. Police and financial sources say scams often involve foreign-exchange and debt- collecting deceptions, as well as letters of credit and securities fraud.

The Securities and Futures Commission (SFC) is holding monthly meetings with mainland authorities to find ways to clamp down on the problem, which is riding on the back of China's economic boom. A memorandum of co-operation between the two sides was signed in June last year. SFC public affairs manager Wesley McDade said companies and individuals which had fallen foul of SFC regulations in Hong Kong frequently re-established themselves in China. "The SFC has no authority over offshore companies but we are able to give the authorities on the mainland details on suspected companies," he said.

An investigation by the *SUNDAY HONGKONG STANDARD* has revealed that Kingly Commodities, the brokerage firm which had its licence revoked by the SFC in March last year, is operating in Shenzhen under the name World Wide Forex. Last year, the SFC revoked the licences of 10 individuals, suspended four others and warned another 16.

Debt-collectors have also earned a bad name for widespread fraud. Commercial Crime Bureau chief superintendent Neil McCabe said: "We've had a number of cases where mainlanders have hired a dodgy debt collector who then makes off with the money. The debt collector shows up at the office of the Hong Kong company and says 'give us the money'. The people they

are dealing with are fairly respectable and easily intimidated, so they pay." Mr McCabe said although these criminals were one or two-man shows, the amounts involved were sums of hundreds of thousands, or even millions, of dollars.

Peter Kwok, a former forex trader, said most crooked operators were doing business on the mainland. "They are running the same kinds of scams they were running in Hong Kong. There is a lot of interest in these companies on the mainland."

Inspector Tres Nielson, of the Commercial Crime Bureau, said Chinese were not necessarily more gullible. "They are attracted by any deal with a promise of a high return because they are unable to invest in China," he said. "Any kind of investment opportunity they will take."

Science & Technology

One Killed, Twelve Injured in Satellite Test Fire

HK2504090594 Hong Kong *AFP* in English 0836 GMT 25 Apr 94

[Text] Beijing, April 25 (AFP)—China revealed Monday that one person was killed and a dozen injured in the "accident" earlier this month that postponed the launch of the country's first geo-stationary satellite. The death occurred after a fire broke out during testing of the new "Fengyun 2" satellite April 2 at China's Xichang launch centre in the western province of Sichuan, a China Aerospace Corp. spokesman said. "One technician was killed and around 12 were injured," he added.

Previous reports of the incident had merely mentioned an "accidental event," without detailing the extent of damage or number of casualties. The satellite and the workshop in which it was housed were both badly damaged in the fire, the spokesman said. The satellite had been scheduled for launching in June aboard a Long March-3 rocket. A new launch date has yet to be fixed.

China has launched three metereological satellites since 1988 but the Fengyun-2 is to be the first "geo-stationary" model, orbiting 36,000 kilometers (22,500 miles) from the earth and monitoring one third of its surface.

China is extremely sensitive about its satellite launch programme which has suffered several setbacks since its inception in 1970, including an aborted attempt to send the Australian Optus-B2 satellite into orbit in December 1992 aboard a Long March 2E rocket. China pinned the blame for that failure on the US-made satellite, but some foreign experts have called into question the construction and relatively simple technology of the Chinese rockets.

In October last year, China and the United States got involved in a row over a Chinese satellite that had got lost in orbit and which the Americans claimed had plunged into the Pacific. China, while admitting the satellite was lost, repeatedly denied that it had fallen to earth.

A total of five Chinese satellites have been scheduled for launch this year.

Shanghai Pools Nuclear Power Equipment Suppliers

HK2404065694 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 24-30 Apr 94 p 4

[By Yu Lei: "Talent Pooled To Bolster Nuclear Suppliers"]

[Text] Shanghai, China's leading supplier of nuclear power generating equipment, has banded together the city's strongest scientific and technological talent to add impetus to the country's nuclear industry.

The Professional Committee of Nuclear Power Equipment, under the Shanghai Institute of Atomic Science and Technology, has recruited 265 individuals and 29 groups as members.

The group members are large and medium-sized enterprises that make equipment for nuclear power stations, including the Shanghai Boiler Factory, the Shanghai Steam Turbine Factory and the Shanghai No 1 Machine Tool Works.

"The Professional Committee is expected to reinforce local academic research on civil nuclear energy and to supply local manufacturers with more advanced technology," said Wang Zurong, the committee's director.

Wang is also managing director of the Shanghai Nuclear Power Office.

Local manufacturers have seen the domestic market blossom as provinces like Liaoning, Shandong, Fujian, Zhejiang, Jiangsu and Guangdong are planning to build nuclear power stations.

The committee's members are divided into seven smaller groups according to mission to facilitate their work, according to sources from the committee.

"One of the most important groups in the committee is the QA (quality assurance) group. To all nuclear power station equipment suppliers, nuclear safety is the first consideration," Qian Huimin, secretary general of the committee, said in an interview.

The city has invested nearly 200 million yuan (\$23 million) in buildings for equipment suppliers and has loaned the local industry more than 13 million yuan (\$1.5 million) for scientific and technological research.

Another 200 million yuan will be used to technically renovate some 20 suppliers in the next two years, according to the Shanghai Nuclear Power Office.

Shanghai plans to continue supplying equipment for the second phase of the Qinshan Project in Zhejiang and has contracted with Pakistan to build parts for a 300-megawatt nuclear power station.

Economic & Agricultural

Zou Jiahua Exhorts Price, Investment Inspection
OW2404122794 Beijing XINHUA Domestic Service in Chinese 1115 GMT 24 Mar 94

[Text] Beijing, 24 Mar (XINHUA)—Work teams of personnel transferred by the State Council from the relevant departments to conduct a general inspection of commodity prices and investments in fixed assets will soon depart for various provinces, autonomous regions, and municipalities. A general meeting of personnel of these two work teams was held today, during which Vice Premier Zou Jiahua made a mobilization speech.

He said: The current economic situation in China is generally good, with the national economy maintaining rapid and sustained growth momentum. However, a number of contradictions and problems remain in the economic life, and the most prominent one is the excessive rise of market prices and escalating inflationary pressures. The causes of inflation and price rises are many. An overextended scale and chaotic management of investments in fixed assets and failure to exercise macroeconomic control and regulation over market prices following the lifting of price control are two very important factors. To step up the effort to solve problems existing in the investment of fixed assets and in price control is a top priority task for curbing inflation and checking excessive price rises.

He said: The purpose of organizing the two work teams to conduct general price and investment inspections in various localities is to help them more effectively and comprehensively implement the principles, policies, and measures formulated by the party Central Committee and the State Council. To ensure the success of the inspections is of great importance for implementing the central authorities' guidelines on the overall interests of this year's work, and for the accomplishment of the various tasks in reform, opening up, and economic development.

Outlining the requirements for the general inspections, the vice premier pointed out: Attention must be paid to the key areas as well as inspection in general in both prices and fixed asset investments. In order to obtain a thorough grasp of the situation, it is necessary to conduct comprehensive checks in line with the guidelines and requirements of the State Council's relevant documents. The key areas of the general price inspection are, first of all, wanton price hikes and frauds against customers on basic daily necessities, grain and edible oil in particular; second, activities of monopolizing various trades to drive up prices and to obtain staggering profits from major capital goods such as rolled steel, electricity, coal, petroleum, and chemical fertilizers; and third, unauthorized increases in public utility and service charges and collection of fees without authorization. The general investment inspection should be focused on strictly

controlling newly launched projects. Meanwhile, attention must be focused on the source of funds for construction and on concentrating funds to ensure key projects, including screening and inventory of projects under construction as well as progress in suspending and postponing projects; on the availability of funds for key construction; and on the sources of self-collected funds and whether such sources are legitimate.

He said: In conducting general inspections, the work teams should go down to the grass roots to analyze typical cases, obtain firsthand information, and solve deep-level problems. They should reflect on things as they really are without covering up or hiding contradictions and problems. They should perform duties honestly, seek no personal privileges, and observe party and state discipline. They should set a good example in fighting corruption and promoting clean government, and should work concordedly to ensure the success of inspection. The State Council has instructed the State Planning Commission to work together with the relevant departments in conducting the general inspections.

It is understood that the leading group on general price inspection consists of leader Chen Jinhua, minister in charge of the State Planning Commission; deputy leader Luo Zhiling, vice minister in charge of the planning commission; and members who are senior officials from the planning commission, the Ministries of Supervision and Finance, the People's Bank, and the taxation, auditing, industry and commerce administration, and technology supervision departments. The leading group on the investment inspection consists of leader Chen Jinhua, minister in charge of the planning commission; deputy leader Guo Shuyan, vice minister in charge of the planning commission; and members who are senior officials of the planning commission, the State Economic and Trade Commission, the Ministry of Finance, the People's Bank, the Ministry of Supervision, the National Development Bank, and the State Statistics Bureau.

Li Tieying Discusses Enterprise Reform Lessons
OW2504053294 Beijing XINHUA Domestic Service in Chinese 1148 GMT 6 Apr 94

[By reporters Yang Qing (2799 7230) and Zhang Jincheng (1728 6930 0524)]

[Text] Beijing, 6 Apr (XINHUA)—At a meeting about the Beijing First Light Industry Corporation's [BFLIC] experience in trial comprehensive and coordinated reform today, Li Tieying, member of the CPC Central Committee Political Bureau and minister in charge of the State Economic Restructuring Commission, emphatically noted: The decision of the Third Plenary Session of the 14th CPC Central Committee has drafted the goals and blueprint of the reform; the most important thing at present is to translate it into action, do a solid job, be meticulous in operation, and establish new systems and mechanisms through practical work. While learning from the BFLIC, we should emulate their practice of

"stressing the focal points, doing a solid job, and bringing about concrete results."

The three-day meeting on the BFLIC's experience in trial comprehensive and coordinated reform, which was convened by the State Economic Restructuring Commission, closed today. At the meeting, Li Tieying gave an important speech about the valuable points in the BFLIC's experience which merit attention from other regions and enterprises. He said: First of all, reform must center on development and be carried out with a view to tackling practical problems in economic life. The most urgent problems and the cruxes of problems are the focal points of our reform. The value of the BFLIC's trial reform lies in its firm grasp of practical problems in Beijing's development and the gradual resolution of them through reform to promote development. For example, in moving against problems such as considerable losses of state assets, difficulties in circulating available capital, dull enterprise mechanisms, a shortage of capital, obstacles to the mobility of staff and workers, and heavy debt burdens, the BFLIC proposed the basic idea of "increasing the value of assets, switching the industry's production of products, changing functions, transforming mechanisms, and reassigning staff and workers" in its trial comprehensive and coordinated reform, and it integrated the reform of the enterprise system with the readjustment of the industrial structure. It started the industry all over again for the second time through the establishment of a modern enterprise system and comprehensively took in new systems step by step on the one hand, and on the other hand it brought about a switch in industries in its urban enterprises in order of importance and urgency, vigorously developed tertiary industries by redeveloping assets, and developed secondary industries to a high level. In the meantime, it has resolved the problems concerning the future of urban enterprises, the needs of developing the rural economy, and the lack of suitable projects for village and town enterprises as well as their upgrading by supplementing urban areas with the supremacy of rural areas and vice versa, and it has promoted the coordinated development of the urban and rural economies.

Li Tieying said: Having developed to the present stage, reform must be carried out comprehensively and in a coordinated manner in order to proceed further. The BFLIC's experience in trial reform is not the experience in a single trial reform by an individual enterprise; it is the experience in a comprehensive and coordinated reform for revitalizing the state-owned economy. One of the important reasons why their trial reform could show results within only one year is because of the high attention received from the Beijing municipal party committee and government. Since the inception of the reform, they have proposed that the comprehensive and coordinated reform should be supported by comprehensive and coordinated policies; principal leaders of the municipal party committee and government personally organized various departments to study and implement the trial comprehensive and coordinated reform program and demanded that all departments transform

their functions, improve their work style, and support the reform in a spirit of reform. On the other hand, the reason why there are few significant results in enterprise reform over the years is mainly because individual enterprises judge things as they stand, fall short of overall concepts concerning the comprehensive and coordinated reform, and make no fundamental change to their mechanisms. Enterprises are the bearers of the movement of capital, and if they do not follow the internal requirements of the law of value, establish a mechanism for enterprises to consciously pursue an increase in value and a modern enterprise system suitable for the changes in markets, and carry out comprehensive and coordinated reform with a greater view to revitalizing the entire state-owned economy, the problem of revitalizing enterprises cannot be solved.

Li Tieying said: Properly handling the relations between reform, development, and stability is an important prerequisite for doing our job well. We must take a new path to development and create new systems in reform. The deep-seated contradictions and new problems cropping up in the course of economic development must be resolved by means of reform. Reform means a readjustment in the structure of interests and involves all kinds of old and new problems; it will impair stability if it is not handled well. The success of the BFLIC's trial reform lies in its consideration to reform, development, and stability. From the beginning, the corporation has incorporated the arrangements for the staff and workers into the reform program and has improved their quality and competitiveness in obtaining new jobs through training in light of market demands. It created new job vacancies to properly reassign staff and workers through readjusting the industrial structure. In addition, it considered a great deal of thorough and painstaking ideological work to be an important part of the reform.

Speaking on the problems that merit further study and attention in learning the BFLIC's experience in trial comprehensive and coordinated reform, Li Tieying stressed: 1) It is necessary to properly handle the problem of state-owned assets. The losses of state-owned assets currently are very grim, and the problem cannot be solved without reform. But how? Can we blaze a new trail for maintaining and increasing the value of state-owned assets by relying on the state economy's own strength, the redistribution of resources and essential factors, and the transformation of the mechanism through reform? The handling of state-owned assets is a very sensitive issue which requires a strong policy; it requires a profound study in the course of reform. 2) The problem concerning the compensated use of land in coordinated reform—land belongs to the state, and the income resulting from the increase in its value should go to the state. 3) It is necessary to proceed from reality in doing everything. Each locality has its own economic structure and level of development, and the problems it is facing may be different from others' problems. While studying the BFLIC's ways of conducting trial reform, we must avoid copying everything indiscriminately

without taking into account local conditions, for otherwise we would acquire the form instead of the essence. We should avoid doing things rashly on a mass scale, because this will not only achieve nothing but will also bungle the good opportunity for reform and development. The BFLIC's experience in trial comprehensive and coordinated reform is still preliminary; it should continue to probe further for constant improvement.

Chen Xitong, member of the CPC Central Committee Political Bureau and secretary of the Beijing Municipal CPC Committee, also spoke at today's closing meeting. He said: The outstanding feature in the BFLIC's reform is that in the course of readjusting its industrial structure, it has consciously redistributed the essential factors of production by means of the mechanism of the market economy. In the course of readjustment, we must pay attention to and properly solve the problems of "brand, face, and position" and "yours, mine, and his," consider the overall situation of reform and development, break down the departmental selfishness, and reorganize in a timely manner low-efficiency enterprises by closing them down, suspending their operations, merging them with other enterprises, or switching their manufacture of products. We should emancipate our minds and find a new way for state enterprises to extricate themselves from their predicaments and improve their efficiency.

The meeting was presided over by He Guanghui, vice minister in charge of the State Economic Restructuring Commission. During the meeting, representatives of relevant local and central departments from around the country discussed enthusiastically and profoundly the BFLIC's reform experience and reached a consensus on its basic ideas and experience in the comprehensive and coordinated reform. The report entitled "Comprehensively and Precisely Master the Beijing First Light Industry Corporation's Experience and Promote State Enterprise Reform Comprehensively and in a Coordinated Manner" delivered by Liu Zhifeng, vice minister in charge of the State Economic Restructuring Commission, systematically summarized the BFLIC's basic reform experience in its six aspects and in its three characteristics, highlighted six problems that all localities should note in drawing lessons from the BFLIC's experience, and drew the attention of participants in the meeting.

Li Tieying Advocates Modern Enterprise System

OW2204155594 Beijing XINHUA in English 1454
GMT 22 Apr 94

[Text] Beijing, April 22 (XINHUA)—Li Tieying, state councillor and minister in charge of the State Commission for Economic Restructuring, said recently that establishing a modern enterprise system is vital to reinvigorate large and medium-sized state enterprises.

In his recent tour of south China's Guangdong Province, Li inspected a number of state-owned enterprises and talked with leading members of these enterprises about

the question of how to conduct experiments in establishing a modern enterprise system.

Li said that Guangdong had explored the reforms of the asset system, social security system, maintaining and adding to the value of state assets and improvement of management in enterprises.

He said that the enterprises which are experimenting in establishing a modern enterprise system should focus their efforts on perfecting the system of legal status, determining investment orientation, setting the organization form of the legal status of the enterprises, and improving industrial financial and accounting system.

He stressed the need to strengthen the leadership of the experimental work and set up a responsibility system for the experiment.

He urged the enterprises to continue their investigations and summing up of experiences in the experiment, so as to lay a solid foundation for further reforms.

Chen Jinhua Urges Efforts To Curb Inflation
OW2504020094 Beijing Central People's Radio Network in Mandarin 1030 GMT 8 Apr 94

[From the "National Hookup" program]

[Text] A national meeting of commodity price bureau directors closed in Wuhan on 8 April. Chen Jinhua, minister of the State Planning Commission, pointed out at the meeting: Effective measures must be taken to curb excessive commodity price increases and to ensure an overall stable situation by strengthening regulation and control.

Chen Jinhua said: A conspicuous economic problem at present is worsening inflation. Market prices have increased rapidly, and the increases are particularly excessive for those things which have an important bearing on the people's daily life and the nation's economic development, such as basic daily necessities, basic services, and basic capital goods.

Chen Jinhua said: Recently, the State Council adopted a series of measures to stabilize commodity prices. Commodity price departments at all levels should resolutely implement the four measures formulated by the State Council—to set up a grain risk fund, to exercise effective supervision over the prices of the people's basic daily necessities and services, to enforce the rule of clearly marking commodity and service prices, and to carry out a general inspection of commodity prices. Resolute efforts should be made to successfully stabilize soon the prices of rice, nonstaple foods, and fuel for the people.

Chen Jinhua pointed out: Under the current state of market prices of most commodities, it is imperative for us to establish a perfect price regulation and control system during the course of deepening reforms. In the meantime, however, regulation and control must be exercised with new thinking and new methods which conform to the market economy. Commodity price

departments at all levels should make active explorations, have the courage to do practical things, strive to establish as soon as possible a pricing system under the conditions of the socialist market economy, and ensure that price management will gradually be governed by regulations.

Document Defines Unions' Expanded Role in Firms

HK2304080094 Beijing CHINA DAILY in English 23 Apr 94 p 1

[By Xu Yang: "Enterprise Changes Sure To Expand Unions' Role"]

[Text] The All-China Federation of Trade Unions (ACFTU) is finishing a document that defines the unions' expanded role in the modern enterprise system.

Trade unions and individual workers are to be empowered with rights involving labour contracts, freedom to express opinions about the firms management, and representation on boards of directors and supervisors.

Entitled "Suggestions on the Trade Unions' Role and Workers' Democratic Management under the Modern Enterprise System," the document will be submitted to the State Council for approval this month.

The modern enterprise system, put forward by the Chinese Communist Party Central Committee last November calls on enterprises to operate in line with international practices.

The State Commission for Restructuring the Economic System launched a pilot project earlier this year to establish the system initially in 100 State-owned enterprises. Most of these State firms will be restructured into limited-liability companies.

On behalf of workers', ACFTU "warmly" supports the pilot project, said Wang Chidong, Deputy Director of the Grass-Roots Work Department of ACFTU.

In such a system, trade unions have an even bigger role to play, said Wang.

The workers should enjoy the freedom to attend and organize trade unions.

They are also entitled to sign labour contracts with the company on the basis of free will and equality, to express disagreement on management policies and criticize managers, and to enjoy reasonable pay, work hours, labour safety, professional training, labour insurance, and welfare.

In the 100 enterprises, trade unions are given authority to negotiate with the representatives of the board on labour disputes.

Licenses of 7,500 Foreign-Funded Firms Revoked
OW2304142494 Beijing XINHUA in English 1316
GMT 23 Apr 94

[Text] Hefei, April 23 (XINHUA)—The Chinese Government has revoked licenses of 7,500 unqualified overseas-funded enterprises over the past 14 years, averaging 535 a year.

This figure accounts for 4.3 percent of the total overseas-funded enterprises in the country, according to a recent national work meeting on the management of registered foreign-funded enterprises in this capital of Anhui Province.

"In line with international conventions, we will fully support enterprises with favorable economic results and have to cancel or revoke licenses for those unable to resolve troubles so as to ensure healthy development of the whole range of foreign-funded enterprises," an official of the State Administration for Industry and Commerce said.

China has 175,000 registered foreign-funded enterprises so far, most of which are profitable. The number of countries and regions making investment in the country rose from 122 in 1992 to 146 last year.

According to the official, there are still a few enterprises which have gone through necessary formalities but have not made any investment on the mainland at all; are engaged in smuggling, speculation and profiteering; have promoted the sales of inferior equipment at a high price; have existed in name only; or fell into general debility.

Analyzing why such practices persist, the official said, "the main cause was that, for a long period of time, it was foreign business people that selected us as partners, and some places paid attention only to the numbers of foreign-funded projects and not the quality."

He stressed that this tendency must be checked and called on localities to study and solve the issue.

A survey shows that China approved of the establishment of 85,000 overseas-funded enterprises last year, an increase of 180 percent over the previous year.

Foreign business people have shown more interest in investing in coastal, interior and border areas including Jiangsu, Anhui, Shandong, Sichuan, Hubei, Henan and Heilongjiang Provinces.

Foreigners Sought To Manage Light Industry Firms

HK2404075194 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 24-30 Apr 94 p 2

[By Xiao Qiu: "Light Industry To Open Door to Foreign Managers"]

[Text] The government this year will start allowing foreign managers to run Chinese light industrial enterprises independently so as to attract more overseas capital, technology and products, a senior official revealed.

The pursuit of foreign managers is intended to enhance light industry's production and exports, said the official, who works in the China National Council of Light Industry but wished not to be identified.

This year, light industry is expected to export \$34.5 billion worth of products.

The official said big export-oriented enterprises will be the first to be designated for foreigners to manage under contract.

The move is expected to bring in advanced technology from overseas that will help modernize these enterprises and expand their exports, the official explained.

Besides the contract management system, he said, overseas companies can also pour in money to convert State enterprises into joint ventures.

The China National Council of Light Industry is also planning management and technical training programmes in Sweden, Finland and other countries, the official said.

Besides managers, China will bring in technicians from these countries to help renovate enterprises' technology.

China is also ready to extend its policies on investment and co-operation to overseas enterprises, the official said.

The official said overseas investment is expected in capital- and technology-intensive industries but those that pollute heavily should be prohibited.

This year, the light industry council will seek more overseas capital, technology and skills for China's inland areas, the official said.

Last year inland areas used 180 percent more overseas investment than the previous year, while the growth rate in the thriving coastal regions was 52 percent.

The official said that besides direct overseas management, joint ventures in light industry are still a major force in exports, accounting for about 20 percent of the industry's total.

The council is co-operating more closely with big overseas companies, the official said. Early this year, for example, it signed a \$350 million investment agreement with PepsiCo Inc, the American food and beverage giant. This followed the signing last year of a \$150 million agreement with Coca-Cola Co.

Loans from international organizations and foreign governments will also be important in promoting light industry's co-operation, the official said.

Foreign-Funded Enterprise Figures Released
*OW2304183194 Beijing XINHUA in English 1311
GMT 23 Apr 94*

[Text] Hefei, April 23 (XINHUA)—The State Administration for Industry and Commerce has announced that by the end of 1993, the total number of overseas-funded enterprises in China had reached 167,500.

The announcement was made at a national conference of registration and management of overseas-funded enterprises held in Hefei City, capital of Anhui Province.

According to the administration, of the total number of overseas-funded enterprises, 107,820 are Sino-overseas joint ventures, 25,500 are Sino-overseas cooperative enterprises and 34,000 are solely-foreign owned enterprises.

A survey released at the conference also listed the top ten provinces and municipalities in number of overseas-funded enterprises: Guangdong (44,705), Jiangsu (18,082), Shandong (12,561), Fujian (11,990), Zhejiang (8,085), Shanghai (8,056), Hainan (7,390), Liaoning (7,365), Beijing (6,516) and Tianjin (6,004).

The provinces and autonomous regions with fewer than 1,000 overseas-funded enterprises include Tibet (27), Qinghai (63), Xinjiang (508), Gansu (723), Inner Mongolia (734), Guizhou (740) and Yunnan (750).

The survey also listed the top ten countries and regions in the world in setting up enterprises in China: Hong Kong (106,914), Taiwan (20,612), the United States (11,554), Japan (7,096), Macao (4,118), Singapore (3,037), the Republic of Korea (2,321), Canada (1,495), Thailand (1,361), and Australia (1,296).

Bank To Lend More to Some Foreign-Funded Firms

HK2404080894 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 24-30 Apr 94 p 1

[By Ren Ren: "BOC To Lend More Working Capital to Foreign Firms"]

[Text] The Bank of China, the country's major foreign exchange bank, concentrated on lending working capital to foreign-funded ventures in the first quarter of this year to ensure their smooth operation.

From January through March, the bank's working capital loans in hard currency to foreign-funded firms accounted for 85 per cent of the bank's total foreign exchange credits to such firms in the first quarter.

Meanwhile, 99.6 percent of the bank's total loans in renminbi to foreign-funded firms are working capital credits, said an official with the bank, who declined to be identified.

In accordance with the State's policy of curbing the over-expansion of capital spending, the bank will keep strict control over lending for investment in fixed assets.

In the first quarter, the fixed-assets loans for foreign-funded ventures dipped slightly compared with the same period of last year, he said.

The official declined to give more details about the exact sizes of the working capital credits and the exact decline rate in the fixed-assets loans.

The official stressed that his bank will give full support to foreign-funded ventures.

He said more loans are expected to be granted in the second quarter than in the first and predicted that the amount lent to foreign-funded ventures this year will be more than last year.

But the rate of growth will not be too big, the official said, since the State will maintain its controls on credit in the face of soaring prices.

The bank last year supplied \$4.3 billion worth of foreign exchange loans to foreign-funded ventures, 28 per cent more than in 1992.

As a major channel for foreign investment, the Bank of China has followed a credit policy that favours foreign-funded ventures. Since 1980, it has provided foreign-funded ventures with \$18.3 billion in foreign exchange and 135.6 billion yuan (\$15.5 billion) in renminbi.

About half of all foreign-funded ventures in China have opened accounts with the bank, and a fifth of them have been granted loans.

Since the demand for loans is much higher than the bank's capacity, the official said, the bank will direct most of its limited capital into selected firms according to national industrial policy.

Most of the enterprises on the bank's preferred list are in energy, transportation and telecommunications.

Those with high profitability and credit worthiness will also be given priority.

While converting itself from being a State specialized bank to commercial operations, Guan said, the Bank of China will pay more attention to the efficiency of its loans.

"We will enhance the anti-risk sense to protect our bank's assets," he said.

State Council Establishes State Development Bank

OW2504005594 Beijing XINHUA Domestic Service in Chinese 0818 GMT 13 Apr 94

[Text] Beijing, 13 Apr (XINHUA)—To effectively concentrate funds to ensure the construction of key state projects, to strengthen the state's overall regulation and control over investment in fixed assets, and to further deepen the reform of investment and the financing system, the State Council has decided to establish the State Development Bank.

According to the State Council's decision, the State Development Bank is a policy-oriented financial institution directly under the State Council. It is responsible for the overall regulation and control of the total amount and allocation structure of investment funds for key state projects. The State Development Bank's major tasks are: To establish a steady, long-term source of capital; to raise social capital and guide it to flow to key state projects; to ensure the availability of funds for investment projects; to control and regulate the amount and structure of investment in fixed assets by managing capital sources; to gradually set up a responsible system in line with the principles of the socialist market economy to rein in excessive investment and to prevent investment risks; to improve investment profits; and to promote sustained, rapid, and healthy economic development.

On 17 March, the State Council approved the "Plan for the Establishment and Operation of the State Development Bank" and the "Regulations Governing the State Development Bank" and demanded that the departments concerned conscientiously implement these regulations.

Development Bank To Issue \$7.5 Billion in Bonds
HK2404075394 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 24-30 Apr 94 p 1

[By Ren Kan: "Bank To Issue \$7.5b in Bonds"]

[Text] The newly established State Development Bank, one of the country's three policy-oriented banks, has begun issuing financial bonds to pool capital.

The flotation began last Wednesday and by Monday a total of 20 billion yuan (\$2.3 billion) worth of three- and five-year bonds will be issued to 10 financial institutions, said Yao Zhenyan, president of the bank.

Instructed by the People's Bank of China, the central bank, these institutions will also buy 8 billion yuan (\$920 million) in bonds next month.

The bank is planning to issue 65 billion yuan (\$7.5 billion) in bonds this year. The rest will be sold in three batches in the second half of this year, Yao said.

The institutions buying the bonds are the Shanghai and Shenzhen branches of the People's Bank of China, the Industrial and Commercial Bank, the Bank of China, the Agricultural Bank, the Construction Bank, the Communications Bank, the Everbright Bank, the Industrial Bank of the China International Trust & Investment Corp and the Post Saving and Remitting Bureau.

The paperless bonds cannot be traded in the market or among banks, but they can be used as collateral when borrowing money from the central bank.

The issue of financial bonds is an important way to ensure that the bank, which went into operation on July 13, has enough capital to support the country's key construction projects.

More capital will come from the national treasury, which has promised 50 billion yuan (\$5.75 billion) of registered capital over the next four years.

Relying on the financial bonds and State allocations, the bank this year is planning to supply 80 billion yuan (\$9.2 billion) in low-interest loans for infrastructural construction.

About 40 per cent of the loans is expected to be granted in the first half of this year, Yao said, adding that the money raised through the bonds will be channelled to projects within several days.

The bank's loans will be used for developing the country's key infrastructural projects and the basic but overburdened industries that have been hindering economic growth.

This year's beneficiaries include 345 large and medium-sized construction projects such as the giant Three Gorges Dam, the Beijing-Kowloon railway and some big power stations.

To raise more capital, Yao said, his bank is quite willing to co-operate with international financial sources.

At first, the bank will be responsible for the relending of some loans from foreign governments and international financial organizations.

It is also likely to issue bonds overseas if it gets the approval, of the State.

Yao said many overseas financial institutions have expressed their wishes to help the bank issue overseas bonds.

Furthermore, Yao said, the bank will also seek commercial loans from overseas banks.

He said the bank will set up some affiliates in foreign countries in the future.

Establishing the State Development Bank is an important part of the country's financial reform. It is aimed at ensuring the smooth flow of capital to key State projects and providing the central government with a powerful tool to rein in excessive investment in fixed assets.

SSC To Ban Certain Standardized Futures Contracts
OW2204191594 Beijing XINHUA in English 1400
GMT 22 Apr 94

[Text] Beijing, April 22 (XINHUA)—The State Securities Council (SSC) announced here today that it was going to ban standardized futures contracts transactions in steel products and sugar.

According to a notice from the SSC, no transactions in standardized futures contracts for steel products and sugar will be permitted after October this year.

But transactions in standardized futures contracts with a delivery date before October 1994 will be allowed to continue till completion.

Transactions in non-standardized futures contracts for steel and sugar will be allowed to go on, but illegal operations will be forbidden.

The notice suggests that the Chinese Ministry of Coal Industry should issue a notice to stop listing standardized futures contracts for coal products in all coal transaction centers and wholesale markets.

The SSC notice says that no transaction centers have the right to list new futures trade items, without first getting approval from the China Securities Regulatory Committee (CSRC).

It also forbids any financial departments to provide futures trade guarantee letters. The notice says that futures trade centers should not accept such letters of guarantee or take them as earnest money.

The SSC announces in the notice that the CSRC has the right to order futures transaction centers to raise the earnest money ratio whenever futures trade prices suffer sharp fluctuations.

According to incomplete statistics, there are now about 40 futures trade centers in China, of which 30 are in operation.

Foreign Share in Telecommunications To Be Limited

HK2404075694 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 24-30 Apr 94 p 1

[By Pei Jianfeng: "State Keeps Tight Hold on Telecoms"]

[Text] It has become a routine in China—when a product becomes popular, local authorities and enterprises scramble to buy foreign production equipment.

In the 1980s, it was colour television sets and refrigerators. Now in the 1990s, it is programme-controlled telephone exchanges.

China is regarded as the last huge market for digital telephone exchanges, and foreign and domestic electronics manufacturers are all hungry for a piece of the pie.

But the Chinese Government is determined to avoid a repetition of what happened to colour TVs.

It is estimated China will need about 13 million lines of digital telephone exchanges in each of the next six years.

There are more than 120 manufacturers in the country, and their annual capacity exceeds 10 million lines.

Experts believe that capacity will reach 23 million lines by 1996, of which 18 million will be for branch use.

Although capacity will soon exceed demand, many domestic firms are eager to set up new production lines.

Experts and government officials worry that excessive investment in foreign equipment wastes capital, and few manufacturers can maintain efficient production scales.

To curb the zeal of new producers, the government has worked out several regulations restricting such projects.

Only five large joint ventures will be allowed in China to produce digital telephone exchanges for branch use.

Three are already in operation. The foreign partners are Alcatel of Belgium, Siemens AG of Germany and NEC Corp of Japan.

China is negotiating with AT&T of the United States and Northern Telecom of Canada to establish two other joint ventures.

Officials stipulate that foreign companies must bring advanced development and production technology if they are to co-operate with China.

Some foreign electronics giants anxious about losing the potentially massive market in China, are secretly looking for local co-operative partners, trying to set up joint ventures without approval from the central government.

Officials said that the government will adopt strict measures to stop such subterfuge.

A new regulation governing the use of foreign capital in making programme-controlled telephone exchanges will soon be published.

Foreign Investment in Power Generators Considered

HK2404071494 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 24-30 Apr 94 p 1

[By Chang Weimin: "China May Open Up its Power Industry"]

[Text] The Chinese Government is considering allowing foreign investments in the manufacture of large electrical generators.

Westinghouse Electric Corp of America and Siemens AG of Germany reportedly desire to co-operate with Chinese manufacturers.

For years domestic production of large power generators has failed to meet demand.

China, which expects its economy to grow by 8 to 9 per cent over the next seven years, needs to add more than 12 million kilowatts of capacity each year.

Capacity is expected to increase from the present 181 million kilowatts to at least 300 million kilowatts by the year 2000.

However, State planners predict that the manufacture of large power generators over the next seven years will be short of demand by a big margin.

Large generators representing more than 3.2 million kilowatts of capacity were imported last year. Imports this year will account for 4 million kilowatts.

Between 1990 and last year, generators of about 47.2 million kilowatts were installed. About 30 per cent, or 13.75 million kilowatts worth, were imported.

China now has the ability to turn out 9 million kilowatts of generators each year. Three-quarters are machines above 100,000 kilowatts.

Power industry officials point out that insufficient production of generators jeopardizes the government's long-term economic goals.

One industry official said manufacturing large power generators with investment and advanced technology from overseas would benefit the country. The official said foreign-funded ventures are expected to fill the gap between production and demand.

Economists say the growth in power production should at least match that of the economy. That means a large number of big power plants must be built.

Production of generators above 300,000 kilowatts has been on the rise over the past several years. Stimulated by rising demand, production of small machines, or those below 25,000 kilowatts, has also been increasing.

In 1991, some 230 small generators with combined capacity of 1.36 million kilowatts were manufactured. In 1992, production increased to 256 generators with 1.4 million kilowatts.

Industry officials predict that production will continue to increase so that it will eventually surpass demand.

However, the official said more large generators will have to be imported to ensure enough new power plants are built to support the booming economy, the official said.

In China, large power generators are produced by plants controlled by the Ministry of Machinery Industry. They are to be used by the Ministry of Power Industry, which oversees construction of new power stations.

Foreign-funded power plants in China are usually equipped with imported generators. In large joint ventures, both the Chinese and foreign partners prefer imported machines.

By the end of 1992, China had signed some \$12 billion in power-related contracts with international banks and foreign governments, enterprises and businessmen.

Several pump-storage power plants are under construction, including projects in Guangzhou, Tianhuangping

in Zhejiang Province and Shisanling in Beijing. Key equipment for the plants is to be imported.

Still, more pump storage power plants are planned.

Growth of Chain Stores To Be Promoted

OW2204144494 Beijing XINHUA in English 1246
GMT 22 Apr 94

[Text] Tianjin, April 22 (XINHUA)—China will give priority to the development of chain stores in order to boost its retail trade and better adapt its commercial activities to international standards.

This was recently stated by He Jihai, vice-president of the State Ministry of Internal Trade, at the national spring commodity fair held in Tianjin.

According to He, China will soon lift certain restrictions on its retail trade to encourage the growth of chain stores.

Foreign investors are welcome to set up and develop more chain stores in China in order to promote the reform and renewal of China's traditional ways of operation in commercial activities.

Commercial enterprises are also encouraged to take advantage of the new round of reforms in the transformation of operating mechanisms and to establish chain shops or chain commercial groups with Chinese characteristics but strictly in accordance with international standards through combination, transfer of assets and introduction of stock system.

Enterprises allowed to set up chain stores include restaurants, supermarkets, book stores, jewelry stores and pharmacies.

Statistics of the Ministry of Internal Trade show that China now has 100-plus chain stores, concentrated in large cities. Less than one-third of them have reached international standards.

Scientists Propose Deepening Yangtze River Course

OW2204141394 Beijing XINHUA in English 1245
GMT 22 Apr 94

[Text] Nanjing, April 22 (XINHUA)—Chinese scientists have proposed investing 7.8 billion yuan (896.55 million U.S. dollars) over 10 years in deepening and dredging the deep-water channel of the Chang Jiang river mouth from the current 7 meters to 12.5 meters.

Upon completion of the project, the channel may allow the passage of 100,000-ton common vessels in high tide and of 50,000-ton container ships day and night, said Yan Kai and Dou Guoren, academicians from the Chinese Academy of Sciences. Currently, it allows the passage of only 10-ton vessels in high tide.

The proposed project is believed to be significant toward making the Shanghai harbor a rising new hub of international transportation on the western shore of the

Pacific Ocean, and it will greatly enhance the economic development of the Chang Jiang river delta and the whole of the Chang Jiang river valley.

The State Planning Commission has approved the plan, saying it is "technically feasible and economically profitable."

The "river mouth," from Nanjing to Shanghai, is a cross-point of China's coastal areas with the vast Chang Jiang river valley areas. It is the shipping route for 200 million tons of goods a year.

There are more than 100 over-10,000-ton ports along the edges of the mouth, including Shanghai harbor, one of the world's ten 100-million-ton harbors.

The current difficulty in the Chang Jiang river mouth costs several hundred million yuan each year, since ships have to unload part of the goods or wait for high tides in order to sail into or to enter harbors.

The two academicians said that the project will bring 4.05 billion yuan in profits to the transporters, harbors and manufacturers in the first five years of construction; later, it will save them an additional 7.36 billion yuan. Ten years after the project is completed, 28.8 billion yuan will be saved.

The proposal was based on a key national research project on the Chang Jiang waterway, the results of which have been approved by the State Planning Commission.

The research was conducted by nearly 100 scientists from the Chinese Academy of Sciences, the Shanghai Waterways Bureau and the Nanjing Water Control Institute.

Studies on the evolution of the Chang Jiang river bed and physical and mathematical model verification measures were used to produce the proposal.

Experiments show that the project will neither affect the river's ability to drain floods, nor affect the water supply to cities along the river, despite an increase in the inflow of sea water.

Experts believe the project will be conducive to the comprehensive management of the Chang Jiang river mouth and urged that it be put into action soon.

Importance of Protecting Arable Land Stressed

HK2304071794 Beijing ZHONGGUO XINWEN SHE
in English 1445 GMT 22 Apr 94

[Text] Beijing, April 22 (CNS)—China saw a decrease of arable land last year by some nine million mu while some 4.53 million mu were newly developed. The sharp drop of land under cultivation is now under control in some areas.

Director of the State Land Administration Mr. Zou Yuchuan stressed the importance of protecting arable land in a national meeting on legislation regarding land. Mr. Zou pointed out that a net cut of land under cultivation was put at some four million mu across the country last year, equivalent to the total of arable land in seven medium-sized counties. Should the situation not be reversed, the consequences would be very serious. He said that China had to guarantee at least one mu of arable land per person on average by the year 2050 or the food problem would by then become a crisis. There is to date cultivated land totalling 1.43 billion mu with per capita land measuring 1.2 mu.

The administration has suggested that planning for the use of land had to be worked out and strictly implemented. The appraisal and approval of land had to be unified in accordance with the law and administration of various kinds of development zones had to be strengthened. A protection area for farming fields had to be drawn up while policies on the administration of collective use of land for non-agricultural purposes had to be strengthened.

Sand Loss Poses 'Danger' To Coastal Ecology

HK2504104594 Hong Kong ZHONGGUO TONGXUN SHE in English 0841 GMT 25 Apr 94

[Text] Beijing, April 25 (CNS)—According to the State Bureau of Oceanography, China has seen increasing damage of its resources in its coastal areas, posing a danger to the original coastal scenery and to the ocean ecology and leading to an adverse affect on tourism and economic development there.

It is reported that Xiamen, a coastal city in Fujian Province has seen excessive removal of sand along its coastline and unplanned construction of buildings and real estate development, with the result that a bathing beach near Xiamen University is suffering sand loss with the sand cover there becoming thinner from the original depth of more than 10 centimetres to less than one centimetre while 3.8 kilometres of beach there is now almost totally filled with rubbish and waste.

Such conditions are now also seen in Hainan with over 70,000 mu of beach area in Lushui County being severely damaged by rampant mining of titanium, leaving many hillocks and hollows there. On February 19, a beach near the Xinhai forestry centre was found to have been damaged by illegal removal and selling of sand, and such destruction, if it continues, will endanger the whole coastline there, posing a safety problem to the nearby coastal road.

A circular recently issued by the State Bureau of Oceanography pointed out that the ocean environment and resources was the base for people's lives. Recovery of the damaged environment and resources are very difficult to redress and will pose a direct and potential threat to the economic development and people's livelihood there.

East Region**Jiangxi High-Tech Development Zone Prospers**
*OW2304115394 Beijing XINHUA in English 0831
GMT 23 Apr 94*

[Text] Nanchang, April 23 (XINHUA)—Construction of the Nanchang new and high-tech development zone in this capital of Jiangxi Province is going full steam ahead.

One of the state's new- and high-tech development zones, the zone located in the eastern suburbs of Nanchang covers 6.8 sq km.

Three sq km are being developed in the first phase.

A local official said that the zone has already spent 80 million yuan on building infrastructure facilities. In addition, so far, construction of workshops with a combined floor space of 76,000 sq m has been completed.

Altogether, 179 enterprises, including 37 overseas-funded ones, have been set up in the zone.

The official attributed the good results to the preferential policy of granting more autonomy to the zone and encouraging the development of high-tech industries.

China's Auto Production Concentrated in Chang Jiang Valley
*OW2504005094 Beijing XINHUA in English 0011
GMT 25 Apr 94*

[Text] Shanghai, April 25 (XINHUA)—The Chang Jiang Valley has become China's most concentrated region for the auto industry.

In 1993 the Chinese mainland produced 1.31 million automobiles, including 300,000 sedans. One-third of that number was manufactured by plants in Shanghai and Jiangsu, Hubei, Jiangxi and Sichuan Provinces.

Shanghai Volkswagen, a Sino-German joint-venture, the Nanjing General Automobile Plant, a Sino-Italian joint-venture, and the state-owned Yangzhou General Bus Plant have become the main producers of sedans, trucks and buses.

Shanghai Volkswagen turned out 100,000 "Santana" sedans last year.

Auto production is now the mainstay industry in Shanghai, Jiangsu, Hubei, Jiangxi and Sichuan.

Many of these factories have enjoyed good economic returns in recent years, with profits exceeding 100 million yuan each.

The development of the technology-intensive auto industry has boosted the growth of related support businesses. Shanghai Volkswagen has 200 factories making parts for it which are involved in a dozen industrial sectors and are scattered along the Chang Jiang or in nearby areas.

Now 80 percent of the parts on a Santana sedan are made in these support factories.

Shanghai Volkswagen is expected to roll 200,000 Santanas off the line this year, double last year's figure.

The central government has placed priority on the auto industry and is determined to support its development for a long time to come.

Last year the output value of the 116 auto manufacturers on the mainland accounted for about three percent of the gross industrial output value in the country.

However, Vice-Premier Li Lanqing said recently that "China's light-duty auto industry, due to its low technology and productivity, still has a long way to go before becoming a full-fledged producer."

Overseas auto corporations have realized the needs and potential of the Chinese market and are pouring hefty investment into the domestic manufacturers along the Chang Jiang.

The French Renault auto company has invested 100 million U.S. dollars jointly with a local partner in Hubei to produce mini-vans. The project is expected to start production this September and make 40,000 mini-vans annually.

Most of the Sino-foreign joint ventures have decided to increase production or develop new models.

Overseas auto parts makers are also trying to gain a foothold in China. A company from the United States has invested 160 million U.S. dollars to set up 15 auto parts manufacturers.

Experts here said that since the auto industry involves many other industries, the rapid expansion of Sino-foreign joint ventures and state-owned auto plants is bound to edge out those smaller, less competitive local counterparts.

Shanghai Building International Textile Town
*OW2304170294 Beijing XINHUA in English 1450
GMT 23 Apr 94*

[Text] Shanghai, April 23 (XINHUA)—Shanghai today started to construct its international textile town—the first textile new and high technology development zone in China.

Located in Qingpu County of Shanghai City, the town is planned to occupy 2.13 hectares.

Wu Wenyi, president of the China National Textile Council, said here today that the construction of the town is a new exploration and will serve as a guide for technological progress and readjustment of the structure of the textile industry in the country.

She said that the textile industry is one of the traditional industries in China. At present, its output value accounts for 14.4 percent of the total output value in the country.

But, she noted, China's textile industry is also facing development difficulties.

The construction of the textile town is aimed at setting up an international commodity-oriented industrial town with new and high technology.

Now the town has signed contracts with its counterparts in Germany, the United States and the Republic of Korea for projects with a total investment of 180 million U.S. dollars.

Shanghai Meets Bond Sales Target Ahead of Schedule

HK2404070994 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 24-30 Apr 94 p 4

[“BW News” report: “Two-Year Bonds Sell Fast; City Meets Target Early”]

[Text] Shanghai has met its target for selling 1994 two-year State treasury bonds sooner than expected.

The value of distribution contracts between city financial departments and local State treasury bond wholesalers has reached 4 billion yuan (\$460 million).

Shanghai Finance Securities Co. undertook to market 1 billion yuan (\$115 million) in bonds, taking the largest distribution share.

The Shanghai branch of the Industry and Commercial Bank of China took on the sale of 600 million yuan (\$69 million) in bonds to rank second. Next were International Securities Corp and Haitong Securities Corp.

More than half of the 4 billion yuan (\$460 million) in bonds have already been sold.

The rapid sales of two-year bonds should stimulate sales of three-year treasury bonds, sources said.

According to statistics from the city's major financial institutions, about 770 million yuan (\$80 million) in three-year bonds have been sold so far.

Shanghai Awards Overseas Investors

OW2204195994 Beijing XINHUA in English 1414 GMT 22 Apr 94

[Text] Shanghai, April 22 (XINHUA)—Forty overseas investors from foreign-funded enterprises here were today given the title of “friends of Shanghai”.

According to local officials, the idea is to give citations to compatriots from Hong Kong, Macao and Taiwan, overseas Chinese nationals, foreign managers of foreign-funded firms, foreign investors, foreign experts and scholars for their outstanding contribution to the opening-up drive of Shanghai and to its economic development since 1990.

At present, Shanghai has 8,000 foreign-funded enterprises, with a promised foreign investment of 15.6 billion U.S. dollars. Some 1,600 of these enterprises were established by compatriots from Taiwan, said local officials.

Hangzhou Officials Tighten Security in Zhejiang

OW2304043394 Beijing XINHUA Domestic Service in Chinese 0518 GMT 14 Apr 94

[By reporters Luo Guojun (7482 0948 7486) and Zhu Guoxian (2612 0948 6343)]

[Text] Hangzhou, 14 April (XINHUA)—Hangzhou city's public security organ held a public meeting to deal with 49 hoodlums who were arrested recently.

The number of Chinese and foreign tourists visiting Hangzhou has gradually increased during this sightseeing season. In light of the increasing number of hoodlums in the city, Hangzhou's public security organ launched a drive to crack down on them in March. Over the past 40 days and more, the city has tracked down 132 cliques and arrested 692 gangsters. After cracking down on these evil doers, public order in scenic spots, amusement parks, and fairs has markedly improved.

It was learned that based on investigations, the public security organ has uncovered 796 criminal cases including 301 major cases. Public security personnel also confiscated 14 guns, 227 knives, and other weapons used for criminal purposes, eliminating the hidden dangers that threaten public security and order to a great extent.

Central-South Region

‘Pirated’ Audio-Visual Products Destroyed in Guangdong

OW2204073294 Beijing XINHUA Domestic Service in Chinese 0336 GMT 22 Apr 94

[By reporter Ye Jundong (0673 0193 2639)]

[Text] Guangzhou, 22 Apr (XINHUA)—The Guangzhou City Copyrights Bureau destroyed in public 63,000 pirated compact discs [CD's], laser discs, and video cassettes on 21 April.

According to an official in charge of the Guangdong Provincial Copyrights Bureau, a joint campaign—launched by local copyright bureaus in cooperation with public security, industrial and commercial administration, press and publication administration, radio and television, and cultural departments—targetting pirated CD's in Guangdong got underway at 1300 on 19 April. Thanks to careful preparations, the operation was successful. According to incomplete statistics, as of 1200 on 20 April, 1,657 vendors across the province were inspected, and 140,000 illegal CDs, 1,322 illegal laser discs, and 85,000 illegal video cassettes were seized. The campaign was launched with greater momentum in such prime target areas as Guangzhou, Shenzhen, and Zhuhai. In connection with the operation, Guangzhou unfolded a city-wide campaign named “Action Week for

Implementing the Copyright Law and Protecting Intellectual Property" on 19 April.

The official said: Since joining the "Berne Convention for the Protection of Literary and Artistic works," the "Universal Copyright Convention," and the "Convention for the Protection of Phonograms," China has brought its copyright protection in line with the international copyrights protection system. The departments concerned in Guangdong take the protection of intellectual property rights seriously. Last year they launched six raids against illegal publications. They also unfolded a concentrated campaign to crack down on illegal audio-visual products toward the end of last year.

At present, localities in Guangdong are continuing the crackdown in light of their respective local conditions. Relevant provincial authorities are formulating a series of measures to improve regular administration over the processing, duplication, wholesale, and marketing of audio-visual products. It has been learned that Guangdong will reorganize the 16 CD manufacturers in the province and place them under the jurisdiction of press and publication departments. The provincial copyrights bureau has formulated procedures for copyrights examination and registration in the manufacture of CDs. In the future, a system of "certificate first and license later"—that is, an operation permit from relevant authorities must be obtained before a business license can be issued—will be introduced in the wholesaling and retailing of audio-visual products. Customs will also crack down harder on smuggling of audio-visual products to stop illegal products from entering China.

Guangzhou Fair Attracts Autonomous Region Delegations

*OW2304164094 Beijing XINHUA in English 1455
GMT 23 Apr 94*

[Text] Guangzhou, April 23 (XINHUA)—Trade delegations from China's five autonomous regions are making active trades at the ongoing '94 Spring Chinese Export Commodities Fair held in Guangzhou, south China's Guangdong Province.

The Guangzhou fair, which opened on the morning of April 15, is held biannually, in spring and autumn. This is the 75th session. Some 2,800 enterprises on the Chinese Mainland have brought products to the fair.

Trade delegation from the Inner Mongolia Autonomous Region made successful deals worth 39 million U.S. dollars in the first five days of the fair, accounting for 80 percent of the delegation's early-set target.

The trade mission from the Ningxia Hui Autonomous Region is making full use of the autonomous region's advantages to actively open up markets in Muslim countries, while maintaining its existing markets in Hong Kong and the United States.

Xinjiang chalked up a business volume of 16.48 million U.S. dollars in the first five days alone, with its local

products such as Hami melons showing sharp increases compared with corresponding figures of previous spring sessions.

Chinese caterpillar fungus, which is a local product found only in Tibet, has won favor from businessmen from Singapore, Hong Kong, Macao and Taiwan. Besides these, Tibetan carpets and highland barley juice from Tibet are also in great demand at the fair.

Trading officials from Tibet told reporters that they could not only do businesses at the fair, but also make new friends through the fair.

Also, the Guangxi Zhuang Autonomous Region would not like to be left behind. Trading officials from the autonomous region have made active efforts to sell local products, such as rosin and talcum. In the first five days, the trading delegation clinched a business volume of 74 million U.S. dollars.

Shenzhen Launches Cleanup of 'Three Withouts'
*HK2504102894 Beijing ZHONGGUO XINWEN SHE
in Chinese 0950 GMT 24 Apr 94*

[By correspondent Mo Fei (5459 7236)]

[Text] Shenzhen, 24 Apr (ZHONGGUO XINWEN SHE)—A recent month-long cleanup by the Shenzhen authorities to rid the city from people without legal identity documents, residency, or legitimate occupations ("three without's" for short) have uncovered and sent some 230,000 "three without's" people back where they came from.

The city also tracked down large numbers of wanted criminals and uncovered means of crime such as caches of guns, ammunition, and drugs, and stolen property.

Huang Zhenfen, "three without's" office director and the city public security bureau deputy director, made the above statements in an interview with this correspondent.

Huang said the city deployed some 90,000 people from the police and other sectors for the operation, in which the authorities dismantled some 60,000 shacks built on hillsides, along the road, and on the waterfront by "three without's" people, smashed 17 rings responsible for bringing in these "three without's" people and 33 places where forged documents were made and sold, solved some 50,000 cases, arrested some 1,200 criminals, and investigated and dealt with some 4,000 people who had violated security regulations.

Huang said the sweep also seized large quantities of means of crime and stolen property, among which were 13 guns, 241 rounds of ammunition, 168 kg of explosives, some 1,200 detonators, 190 g of heroin, 39 motorbikes, and some 1.1 million renminbi.

Huang Zhenfen said the operation against the "three without's" people is a long-term and arduous job, and they will firmly persist in tightening management of

temporary populations within the zone, safeguard law and order, improve the investment and living environment, and promote healthy social and economic development.

Southwest Region

Guizhou State Enterprise Declares Bankruptcy in Guizhou

HK2504101794 *Guizhou People's Radio Network in Mandarin* 2300 GMT 18 Apr 94

[Text] The case of the state-owned Guiyang Die-Casting Plant application for bankruptcy, which had been followed all along by the residents of the city with great interest, was wound up by the Guiyang City Intermediate People's Court after four months of intensive hearings, and the plant was formerly declared bankrupt on 15 April. This is the first state-owned enterprise under the jurisdiction of the city government, which has publicly announced its bankruptcy to society.

The plant was heavily in debt due to sustained mismanagement. It was informed that the plant had just 2.7 million yuan or so in assets at its disposal but its debts mounted to over 4 million yuan. It was unable to repay debts which had become due. By 15 April, 56 creditor units from Guizhou Province and other parts of the country had applied to the intermediate people's court for creditor's rights, of which 45 were granted those rights.

Yesterday, in accordance with the relevant legal procedures, the court appointed 14 working personnel from 14 units, such as the Guiyang City Financial and Auditing Bureau, to form an enterprise bankruptcy liquidation group to clear the plant's accounts.

Qiao Shi Inspects Sichuan

OW2504025394 *Beijing XINHUA Domestic Service in Chinese* 1508 GMT 18 Apr 94

[By reporter Huang Woyun (7806 5257 0061)]

[Text] Chengdu, 18 Apr (XINHUA)—While inspecting Sichuan, Qiao Shi, member of the CPC Central Committee Political Bureau Standing Committee and chairman of the National People's Congress Standing Committee, said emphatically: We should unswervingly implement measures adopted by the party Central Committee to deepen the reform and be sober-minded and calm when approaching and solving specific problems we encounter in our practical work.

Comrade Qiao Shi inspected Sichuan 13-18 April accompanied successively by Comrades Xie Shijie, secretary of the Sichuan provincial party committee; Governor Xiao Yang; Yang Xizong, chairman of the provincial people's congress standing committee; and Song Baorui, deputy secretary of the provincial party committee. Qiao Shi inspected large and medium state-owned enterprises and village and town enterprises, and

heard work reports from the Sichuan provincial party committee and the Chengdu city party committee.

Because this is an important year for the deepening of reform in our country, Qiao Shi paid close attention to progress in implementing reform measures and specific problems in practical work. He said: Since the last quarter of 1993, we have been adopting more and stronger reform measures to meet the urgent need of our situation—the need to push forward the socialist modernization drive. We should seize international and domestic opportunities that are very favorable to our country's construction as we conscientiously implement the guidelines of the 14th national party congress and the Third Plenary Session of the 14th CPC Central Committee, and unswervingly implement reform measures which we have adopted, under the guidance of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics. Everyone has noticed that these reform measures have played an important role, reaped initial successes, and received a good response internationally and domestically. Of course, a country as big as ours will definitely face some problems when it carries out extensive, in-depth reform. We should be sober-minded and calm when facing these problems. Problems which can be solved quickly should be solved as soon as possible; problems which cannot be solved at once should be solved gradually following active efforts to create the necessary conditions.

Qiao Shi pointed out: We should earnestly strengthen party leadership in the course of implementing reform measures. Leaders and cadres at all levels should be honest and observe self-discipline, oppose corruption, and work diligently in the interests of the people. They should improve their work style and do solid work. They should reach out to the grass roots and masses, conduct detailed investigation and study, be adept at discerning public sentiment, show concern about the people's work and well-being, lead the masses in overcoming difficulties and problems, and push forward all undertakings.

On enterprise reform, particularly that which concerns large and medium state-owned enterprises, Qiao Shi said emphatically: Enterprises must be market-oriented. They must invigorate their operational mechanisms, improve product quality and economic efficiency, and sharpen their competitiveness. They should absorb new technologies from abroad and from other places in the country to effectively upgrade their technologies. We should create a favorable environment for enterprise reform and development. We should reduce enterprises' burdens through the gradual establishment of a social security system, so as to facilitate efforts to attract investments and skilled personnel.

Qiao Shi said emphatically: We should continue to strengthen our leadership in agricultural and rural work, and solve, in a practical manner, problems that have cropped up during agricultural development. We should gradually increase the comparative returns accruing to peasants from growing grain, increase peasants' incomes,

and ensure steady growth in the production of grain, cotton, and edible oils. At the same time, we should also strive to diversify economic undertakings in line with the concept of agricultural diversification. A large country like ours which has a large population has to resort to macroeconomic regulation and control to achieve long-term and steady agricultural development. Our vast rural areas will be more prosperous and developed if we actively develop village and town enterprises and work hard to strengthen the construction of small cities and towns on this basis. On the issue of utilizing surplus rural labor, Qiao Shi said: Besides exporting labor services and developing village and town enterprises, we should use a variety of methods to construct infrastructural facilities, such as repairing roads and water conservancy facilities, so that more surplus workers can play their roles. Qiao Shi showed great interest in poverty relief work. He said: The central authorities have decided to suitably grant more preferential treatment to the central and western regions in their policy to aid the poor, and this decision will be implemented.

Concerning the work of the people's congresses, Qiao Shi said: The more we deepen the reform and open up wider to the outside world, the more it is necessary for us to strengthen the construction of socialist democracy and the legal system. We should fully enhance the functions of people's congresses at all levels and strengthen the construction of grass-roots people's congresses in particular. People's congress deputies enjoy the whole society's support and attract its attention when they exercise their power in accordance with the law. Local people's congresses should earnestly sum up and gradually spread the good experiences they gained while carrying out legislative and supervisory work.

During his inspection, Qiao Shi visited the Sichuan provincial museum and other cultural establishments. He said: In the course of socialist modernization, we should draw on what is good in foreign cultures and carry forward and promote our country's splendid national culture; we should create a new and more splendid culture on this basis.

Qiao Shi said: Sichuan has its own superiorities, as well as qualities unmatched by other localities. It has made gratifying achievements in reform, opening up, and modernization in recent years. I believe under the leadership of its provincial party committee and government and through the industrious and innovative work of its vast number of cadres and people, Sichuan will make even greater progress in all its undertakings.

Supreme Court President Inspects Sichuan
HK2204111694 Chengdu Sichuan People's Radio
Network in Mandarin 2300 GMT 20 Apr 94

[Text] While carrying out an inspection work in our province, Ren Jianxin, member of the Central Secretariat, secretary of the Central Commission of Political Science and Law, and president of the Supreme People's Court, stressed: Party organizations and governments at

all levels must correctly understand and handle well relations between reform, development, and stability. Proceeding from the general situation of maintaining stability, they must properly solve various social contradictions.

According to a report by our staff reporter Li Jie, while carrying out an inspection tour in Chengdu on 18-20 April, Ren Jianxin listened to work reports made by provincial CPC committee, provincial government, Chengdu, and provincial higher people's court officials. He also held discussions with delegates attending provincial political and judicial work meetings. Ren Jianxin fully affirmed the achievements made by our province last year. He said: Like various places in the country, the present political and economic situation in Sichuan is favorable. The overall situation of seizing on the fine opportunity, deepening reforms, expanding opening up, promoting development, and maintaining stability advocated by the CPC Central Committee has become a consensus of the entire party and people of the whole country. This year more important reform measures are being smoothly implemented. This is a crucial year for deepening reform and establishing a socialist market system. Deepening structural reform will touch upon and adjust interests of various quarters. Some new contradictions and problems will occur. Therefore, party organizations and government at all levels must correctly understand and handle well relations between reform, development, and stability. We must grasp things with two hands. We must see the favorable situation, and the existing problems as well. We must understand the importance of maintaining stability, and solve various social contradictions in their embryonic stage.

While talking about proper handling of various contradictions, Ren Jianxin emphasized: Leading comrades at all levels must go deep into the reality and grass-roots units, and listen to the voice of the masses to solve various problems related to immediate interests of the masses at all levels. It is necessary to exercise control over the prices of daily necessities needed by the masses in their daily livelihood, curb price hikes, deal severe blows to various kinds of criminal activities, and persist in the antipornography struggle, and the drive of eliminating the six vices to ensure that the masses live and work in peace and contentment. It is necessary to continue to profoundly carry out the struggle of opposing corruption, and firmly grasp the work of investigating and handling big and important cases.

Tibet Strengthens Control Over Satellite TV
OW2304051694 Lhasa Tibet Television Network in
Mandarin 1200 GMT 15 Apr 94

[Announcer-read report; from the "Regional News Hookup" program]

[Text] Recently, the Tibet Autonomous Regional People's Government approved and relayed a circular, issued by the regional radio-TV department and other

relevant departments, which called on all areas to implement the State Council's regulations on control of ground facilities for receiving satellite TV broadcasts.

The circular said: In October last year, the State Council promulgated the Regulations on Control of Ground Facilities for Receiving Satellite TV Broadcasts. The Ministry of Radio, Film, and Television recently promulgated the Rules for Implementing the Regulations on Control of Ground Facilities for Receiving Satellite TV Broadcasts. This is of great significance for placing the production, sale, and use of ground facilities for receiving satellite TV broadcasts under control in accordance with the law; ensuring orderly development; promoting the building of a socialist spiritual civilization; and maintaining social stability.

According with the regulations and implementation rules, and in light of the situation in our region in which the installation of ground facilities is in a chaotic state; development of such facilities is being promoted recklessly without out a plan; and the contents of TV programs is out of control, the following five requirements have been set to strengthen control over ground facilities for receiving satellite TV broadcasts in our region. All prefectural administrations, the Lhasa City People's Government, the people's governments of various counties and cities, and various commissions and offices under the regional government should earnestly implement them.

1. You must vigorously publicize the regulations' guidelines. Under the leadership of the local governments, radio and television administrations in all prefectures and cities, should, together with public security, state security, industrial, and commercial departments, thoroughly understand the documents and earnestly implement them in light of local conditions.

2. You should register and check local cable TV systems and ground facilities for receiving satellite TV broadcasts. If problems are discovered in the course of inspection, you should handle them in accordance with the relevant documents.

3. You should rectify the situation after carrying out a checkup. Radio and television administrations of all prefectures and cities must carry out a strict checkup of permits. Old ones should be changed. If ground facilities for receiving satellite TV broadcasts set up by individuals prior to October last year must be preserved because of special circumstances, they must be reported to the relevant radio and television department before 5 May in order to obtain permits according to procedures. Units which obtained permits prior to 5 October last year to receive overseas TV programs must be urged to submit their permits for reexamination by a radio and television department prior to 5 April. Units and individuals that have set up and used ground facilities for receiving satellite TV broadcasts but have not obtained permits according to procedures should report to the departments concerned according to provisions stated in

the rules for implementing the regulations. Units and individuals whose facilities are found to meet the set requirements must obtain a permit before 5 May. Units which have set up two ground facilities for receiving satellite TV broadcasts but have not obtained permits to receive overseas TV programs must dismantle the antenna for receiving overseas TV programs. Units which have installed only one satellite antenna must readjust their antenna to receive only domestic programs. Measures for technological safety should be adopted in accordance with regulations and implementation rules to deal with units which are authorized to receive overseas TV programs.

4. Efforts will be made to establish cable TV stations.

5. Problems should be handled in accordance with the provisions contained in the regulations and with the procedures and functions set by the implementation rules.

Large-Scale Troop Movements Reported in Tibet HK2504064694 Hong Kong SOUTH CHINA MORNING POST in English 25 Apr 94 p 7

[By Robert Barnett]

[Text] A large-scale mobilisation of troops is taking place in Tibet, according to reports from the region. The troop movements, the largest reported from the area since 1989, appeared to be concentrated around the Tibetan border with India.

The Tibetan government-in-exile reported yesterday that 30,000 soldiers in three divisions of the People's Liberation Army had been moved from inland China into Tibet. One division had moved from Lanzhou in Xinjiang and two from Chengdu in Sichuan. The influx would nearly double the normal troop garrison in Tibet, estimated at around 50,000 four years ago.

According to the reports, the movement began in late March, matching reports from tourists in Yunnan Province that a large contingent of troops accompanied by helicopters had been seen around April 1 moving towards southern Tibet from Dali in northern Yunnan.

Western government sources confirmed that there were large-scale troop movements going on in Tibet.

There has been no visible troop activity in the Tibetan capital Lhasa and troop movements appeared to be focused on the sensitive border areas of Drayul and Dromo which face India's northeast frontier in Arunachal Pradesh, according to the government-in-exile.

In Lhasa, officials were said to have been compiling lists of military reservists and of people under the age of 40 who have done military service.

Procedures at road checkpoints have been tightened and one Tibetan arriving in India said that, from early this

month, police checkpoints on the road from Lhasa to the border have been taken over by the military.

Increased security controls are expected in China in the run-up to the fifth anniversary of the Tiananmen Square killings on June 4 and to U.S. President Bill Clinton's decision on China's most favoured nation trading privilege in less than five weeks.

Tibet Delegates Attend Regional Propaganda Conference

OW2504043294 Lhasa Tibet People's Radio Network in Mandarin 1400 GMT 23 Apr 94

[From the "News" program]

[Text] Delegates attending a regional conference on propaganda and ideological work have in the past few days enthusiastically discussed party Secretary Chen Kuiyuan's speech at the conference. His speech was entitled "Stabilize the Situation [wen ding ju shi] and Strengthen Our Propaganda and Ideological Work." They have also expressed many opinions and made many suggestions on the region's propaganda and ideological work for this year.

During their discussions, delegates unanimously held: This is a year of crucial importance for our country in the course of reform and development. Development and stability are two major tasks in the region's work. To carry out the region's various reform tasks for this year, it is necessary to correctly handle the relationship between reform, development, and stability. To implement reform in an all-round way, we must have a stable social environment and favorable public opinion.

They further pointed out: Ours is a region where minority nationalities live in compact communities. Strengthening the unity of various nationalities and maintaining the unification of the motherland accord with the fundamental interests and common aspirations of all nationalities throughout the region. The unity of various nationalities is of fundamental importance for the region's social and economic development. Practice has proved that whenever our work is effectively performed among various nationalities, our economy develops rapidly in a stable situation. Reform and development will become empty talk without a stable social and political environment. For this reason, we who are engaged in propaganda and ideological work should regard maintaining social stability as our own duty. In propaganda and ideological work, we should always give priority to the struggle against splitting, maintaining the unification of the motherland, strengthening the unity of various nationalities, and preserving social stability. We should rid ourselves of the past practice of doing propaganda and ideological work off and on. We should always do solid work in this regard. We should constantly keep a clear head and should not, to the slightest degree, slacken our efforts to publicize the importance of stabilizing the situation [dui wen ding ju shi de xuan chuan]. In propaganda, we should keep to the central theme of our society and carry forward our national

spirit and the spirit of the times. We should arm the party with Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics. We should educate people in the theory and make it take root in the hearts of the people of various nationalities across the region so that it will become the basic guiding principles for all of our work.

Meanwhile, we should comprehensively and accurately publicize the party's basic theory and line and its principles and policies; we should publicize the creative spirit and heroic deeds demonstrated by the masses of people in the course of reform and construction; and we should help people emancipate their minds, change their ideas, do pioneering work, and make progress. We should focus our attention on doing a good job in reform and opening up, establishing a socialist market economic structure, and promoting the sustained, rapid, and healthy development of the economy.

Delegates said: In short, propaganda and ideological work is, as Comrade Jiang Zemin put it, to arm our people with scientific theories, guide them with correct publicity, inculcate them with high ideals, and encourage them with fine works of literature and art.

Delegates held: Propaganda and ideological work is systematic work. This work cannot be done by propaganda and ideological departments alone. Party committees and governments at various levels should further enhance their awareness of propaganda and ideological work and mentally overcome the practice of concentrating on economic work to the neglect of propaganda and ideological work. We must effectively carry out propaganda and ideological work as we do economic work. Propaganda and ideological departments should live up to the expectations of the party and the people by extensively carrying out propaganda and ideological work in order to mold favorable public opinion for our region's social stability, reform, and opening to the outside world.

North Region

Beijing Experiences Price Increases

HK2304071394 Beijing ZHONGGUO XINWEN SHE in English 1440 GMT 22 Apr 94

[Text] Beijing, April 22 (CNS)—According to the Beijing Municipal Statistical Bureau, prices in the municipality increased by 23.1 percent from January to February and the rise continued in March and in April with the price of rice rising because of shortage of supply. In February, the consumer goods price index in Beijing was 126 percent and that of retail sales was 122.2 percent, 5.6 percent and 4.6 percent up respectively over those in January. The price rise in Beijing has now surpassed that in Shanghai but has remained lower than that in Tianjin.

The inflation index in the capital in January and February was 6.5 percent and 14 percent up respectively

over the same period of last year with prices of daily necessities such as sugar, meat and vegetables increasing by a large scale.

Despite the 23.1 percent price rise in this period, the actual income of dwellers there also increased by 22.3 percent.

Beijing Helps Businessmen Arrange Foreign Trips
*OW2504080194 Beijing XINHUA in English 0736
GMT 25 Apr 94*

[Text] Beijing, April 25 (XINHUA)—Beijing Municipal Government has helped open a department to help individual businessmen with the formalities of arranging business trips abroad.

The number of people travelling overseas not on behalf of the country has in recent years grown at the rate of about 30 percent per year. Last year alone saw more than 40,000 such applicants.

Formerly, employees of private enterprises and individual businessmen needing to go abroad for business activities had to apply for exit permits under the guise of visiting relatives and friends, or travelling for pleasure, for lack of clear government stipulations.

So the exit permits help office has been set up to better meet the growing need of applicants and to make it more convenient for individual or private businessmen, and thus to promote prosperity.

The new department will provide consultations, necessary training and handle other formalities for owners of private businesses, individual laborers, managers of township enterprises and employees of non-public enterprises to make overseas business tours.

The new department operates under the leadership of the Beijing Federation of Industry and Commerce.

Beijing now has 4,110 privately-owned firms and 230,000 individual businessmen.

Hebei Issues Regulations on Economic Information Market
*OW2404023494 Beijing XINHUA in English 0100
GMT 24 Apr 94*

[Text] Shijiazhuang, April 24 (XINHUA)—The country's first set of regulations on the management of the economic information market has been formulated in north China's Hebei Province.

The local law provides clear stipulations on the management and operation of the market, information property rights, qualifications of personnel, scope of operation, charges, and the supervision of contract implementation.

It is aimed at changing the present chaotic situation in the economic information market in the province and ensure regular operations, according to a local official.

Statistics show that about 50,000 people work in 2,000 information and consultancy companies in Hebei.

These companies have promoted Hebei's economic development and facilitated contacts in the circulation of commodities, resources, funds and personnel, the official said.

Inner Mongolia Secretary Inspects Baotou, Bayannur
SK2204233894 Hohhot NEIMENGGU RIBAO in Chinese 14 Apr 94 p 1

[By reporter Zhang Linxiang (1728 2651 4382) and correspondent Guang Hua (0342 5478) and Zhong He (6988 7729); "Try by All Possible Means To Promote Economic Development and Spare No Efforts To Improve People's Living"]

[Excerpts] Under the new situation in which the whole region is conscientiously implementing the 20-character policy of the central authorities and the eighth enlarged plenary session of fifth regional party committee, Wang Qun, secretary of the regional party committee, travelled a long way to Baotou city, Bayannur League, and Ih Ju League to conduct investigation and study and to jointly discuss ways to promote the region's reform, development, and stability along with the masses of local cadres at all levels. [passage omitted]

While touching on how to explore ways to promote Inner Mongolia region's economic development and to resolve financial difficulties, Comrade Wang Qun pointed out: The broad masses of cadres have created many good ways and methods in the course of practice, playing an exemplary role in promoting great development in all localities across the region. He stressed: In developing agriculture and animal husbandry, it is necessary to resolutely manage things in line with the market economic law, serve the market, readjust the structure in line with local conditions, and actively develop good quality grain, oil-bearing crops, sugar, fruits, livestock, poultry, aquatic products, and other brand-name, special, and quality products. After analyzing the present situation and potential for developing Inner Mongolia's agricultural and animal husbandry, Comrade Wang Qun said: Agriculture and animal husbandry are our region's basic industries and the best and most important industries among all. In agriculture and animal husbandry, we should seek extraordinary development and advance by leaps and bounds. This conforms to the policy stressed repeatedly by the party Central Committee on stabilizing and promoting agriculture and is the fundamental way for making the people rich and the banners and counties prosperous, as well as the reliable guarantee for resolving financial difficulties. Our region is rich in land resources with great potential for development. We still have 30 million mu of cultivated land awaiting development. The existing cultivated lands and the unclaimed lands all have great potentials for increasing production. Our region has 1.35 billion mu of grassland, but each mu of grassland can only produce one jin of meat, showing that

the potential for development is very great. Our region has a very good foundation for agricultural and animal husbandry development and high quality scientific and technical workers and managerial personnel. With these land and water resources, as well as the technology and labor forces, it is absolutely possible for us to realize an extraordinary development in agriculture and animal husbandry. [passage omitted]

In studying ways to resolve the current financial difficulties along with grass-roots cadres, Comrade Wang Qun believed that the financial issue is actually an economic development issue. It is necessary to resolve it by using the new ideas of reform and development and by broadening the sources of income and reducing expenditures. [passage omitted]

On the issue of strengthening tax revenue collection and management, Comrade Wang Qun stressed: At present, the masses of cadres at all levels, the party and government organs at all levels, and the tax departments should strengthen propaganda on the new tax system, make the broad masses of cadres clearly understand the new tax system of our country and the relevant stipulations of the autonomous region, and strengthen the sense of responsibility and enthusiasm in tax revenue collection and management. Government leaders at all levels should personally attend to tax revenue and successfully carry out tax collection and management. It is necessary to increase the number of temporary tax collectors in an effort to strengthen the tax collection force and to guarantee that all sorts of taxes are collected in full and in a timely manner.

Comrade Wang Qun also put forward specific demands on maintaining stability, doing a good job in pricing, nationalities, and religious work, and strengthening party building and spiritual civilization. He expressed hope that party committees and governments at all levels and all party leading cadres at all levels would always keep a sober mind, carry out these aspects of work in a down-to-earth manner, and further consolidate and develop a political situation of stability and unity in Inner Mongolia.

State Councillor Li Tieying Inspects Tianjin
OW2504013794 Beijing XINHUA Domestic Service in Chinese 1537 GMT 2 Apr 94

[By reporter Zhu Yuquan (2612 3768 3123)]

[Text] Tianjin, 2 Apr (XINHUA)—During an inspection of Tianjin's experimentation with comprehensive coordinated reform in the city, Li Tieying, member of the CPC Central Committee Political Bureau and state councillor and concurrently minister in charge of the State Economic Restructuring Commission, pointed out: Key economic cities should proceed from the local conditions, seize the opportunity, and make the most of their strengths to deepen reform, open up wider, and promote development.

He said: This year will be a crucial year for China's economic structural reform. State-launched reforms of the financial, banking, taxation, foreign exchange, and foreign trade systems have proceeded smoothly. As long as we firmly grasp the overall interests of "seizing the opportunity, deepening reform, opening up wider, promoting development, and maintaining stability," and as long as we translate the guideline of "combining comprehensive coordinated reform with breakthroughs in key areas" into concrete actions, we will surely be able to smoothly achieve the various reform targets this year. In the course of implementation, all localities should pay attention to the following four areas:

- 1) It is necessary to ensure the smooth implementation of various reform programs introduced by the central authorities by subordinating local to national interests and working hard to gradually establish a socialist market economic system;
- 2) It is necessary to go all-out to change the operating mechanisms of enterprises to gradually establish a modern enterprise system;
- 3) It is necessary, in line with the spirit of the "decision" adopted by the Third Plenary Session of the 14th CPC Central Committee, to earnestly implement the reform of macroeconomic regulation and control formulated by the central authorities under unified plans, and to study and formulate other reforms in light of the realities of each locality to facilitate sustained, rapid, and healthy economic development;
- 4) It is necessary to properly handle the relationship between reform, development, and stability.

On 31 March and 1 April, Li Tieying and Vice Minister He Guanghui of the State Economic Restructuring Commission inspected the Tianjin Stock Exchange, the Lisheng Pharmaceutical Plant, and the Lida Group International Emporium in the company of Tianjin party Secretary Gao Dezhao and Mayor Zhang Lichang, and they heard briefings by the municipal party committee and the municipal government on Tianjin's experimentation with comprehensive coordinated reform.

After hearing the briefings, Li Tieying said: Following the Third Plenary Session of the 14th CPC Central Committee, the Tianjin municipal party committee and government took the initiative to explore ways to establish a socialist market economic system, and they put forward a number of pilot projects for comprehensive coordinated reform. They have attached great importance to the pilot projects, thus fostering sound ideas and adopting effective measures in formulating and implementing pilot and special projects. After seriously studying Tianjin's pilot projects, the State Economic Restructuring Commission and other relevant State Council departments on 15 January 1994 approved Tianjin as the city designated by the state for experimenting with the comprehensive coordinated reform of the economic structure. As one of China's three municipalities directly under the central government, Tianjin is the economic center of the Bohai Rim economic zone, as well as a major economic, trade, and port city in

northern China. The municipality's reform and development have a vital bearing on the country as a whole.

Discussing areas to which Tianjin as a key economic city must pay close attention in the next-phase reform, Li Tieying said: First, it is necessary to accelerate the pace of readjusting the structure of industries and to energetically develop tertiary industry, which is very important for bringing into play the key economic city's functions. An underdeveloped tertiary industry will inevitably make the municipality dependent on industrial enterprises for financial revenues and aggravate the predicament of enterprises, while a developed tertiary industry can provide the municipality with more financial revenues and give old enterprises a chance to recuperate and build up their strength. Second, it is necessary to cultivate new economic growth points. In seeking development, village and township enterprises should implement a shareholding cooperative system, and a small number of qualified enterprises may try out stock systems. This will be a general trend of economic development. The expansion of nonstate economic sectors is an objective demand of the socialist market economy. Therefore, we should encourage the healthy development of individual, privately owned, and foreign-funded economic sectors. Third, it is necessary to attach importance to maintaining and increasing the value of state-owned assets, and to readjusting the structure of state-owned assets. The transaction of property rights of state-owned enterprises is essential for invigorating the state sector of the economy. However, the transaction must be conducted according to standards and must avoid the losses of state-owned assets during the entire process from the assessment of assets to the transfer of property rights. The transfer of state-owned enterprises' property rights should be approved by the investment organization authorized by the state, while the transfer of property rights of enterprises owned by the central government should be approved by the investment organization designated by the central government. A government system of assessing assets and approving the transfer of property rights in accordance with the principle of unified state ownership and supervision by governments at different levels should be established to avoid confusion.

Tianjin Secretary Discusses Rural Work

SK2504081194 Tianjin TIANJIN RIBAO in Chinese 13
Apr 94 pp 1, 2

[Excerpts] The municipal party committee and government held a rural work conference on the morning of 12 April to relay the guidelines of the central rural work conference and to arrange Tianjin's agriculture and rural work. They called for efforts to thoroughly study and implement the guidelines of the central rural work conference and, proceeding from Tianjin's reality in agriculture and rural work, further unify thinking, enhance understanding, conscientiously strengthen party leadership over agriculture and rural work, and strive to fulfill the basic tasks of agriculture and rural work.

Gao Dezhan, secretary of the municipal party committee, and Zhang Lichang, deputy secretary of the municipal party committee and mayor of Tianjin, gave important speeches. Li Jianguo, deputy secretary of the municipal party committee, attended. Li Shenglin, deputy secretary of the municipal party committee and executive vice mayor of Tianjin, presided over the conference. Nie Bichu, chairman of the municipal people's congress standing committee; and Liu Jinfeng, chairman of the municipal committee of the Chinese People's Political Consultative Conference; attended.

Also attending were municipal leading comrades Yang Zhihua, Liu Fengyan, Fang Fengyou, Song Pingshun, Luo Yuanpeng, Zheng Zhiying, Lu Xuezheng, Pan Yiqing, Zhang Haosheng, Zhuang Gonghui, Li Changxing, and Huang Yanzhi.

Gao Dezhan pointed out in his speech: Tianjin has attached importance to and scored notable achievements in agriculture and rural work for many years. Central leading comrades have affirmed on many occasions its bumper grain harvests for 10 years in a row and, in particular, its good job in carrying out the "vegetable basket" project. The good development trend in rural economy, the increase in peasants' income every year, and the stable rural situation have constituted an important contribution to Tianjin's economic development. However, we should also note that the economic development rate, the level and economic efficiency of agricultural productive forces, and the increase in peasants' income are not high enough. By conscientiously studying and implementing the guidelines of the central rural work conference, we should enhance our understanding of the importance to strengthen agriculture and rural work in the new situation. The current priorities are as follows: First, we should enhance the understanding of the position of agriculture as the foundation. Although Tianjin is a large industrial and commercial city developing the suburban-type rural economy, it should firmly embrace the idea of taking agriculture as the foundation. The rural economy is an important growing point of the economy of the entire municipality and an important force to realize sustained, rapid, and healthy economic development. The healthy development of agriculture and rural economy is the foundation not only for the national economy but also for reform, development, and stability. Second, we should enhance the understanding of the importance of successful production of grain, cotton, and oil-bearing crops. In the new situation in establishing the socialist market economy system, we should understand the extremely important production of grain, cotton, and oil-bearing crops from a strategic and political perspective and, proceeding from reality, strive to improve the self-sufficiency rate of grain and gain the initiative in the overall planning for the economic work of the entire municipality. Third, we should further enhance the understanding of the importance of a successful "vegetable basket" project. In Tianjin's suburban-type agriculture, the key link is the production and supplies for the "vegetable basket." We should pay

close attention to it under all circumstances and make it still better. Fourth, we should further enhance the understanding of the importance to restructure agriculture on the premise that the production of grain, cotton, and oil-bearing crops is stabilized. The production of grain, cotton, and oil-bearing crops is the prerequisite for restructuring agriculture and restructuring rural production. We should pay particular attention to comprehensive agricultural development and transformation of low- and medium-yielding farmland, through which to improve the basic conditions for agricultural production, so that there will be more room for agricultural production. Fifth, we should further enhance the understanding of the importance to rely on agricultural development to increase peasants' income. By improving the production level of farming and livestock breeding and operating on as large a scale as possible, we should raise the output rate of land and fund input and continuously increase peasants' income. [passage omitted]

Gao Dezhan emphasized: The major policies, targets, tasks, and policy measures for Tianjin's agriculture and rural work have been clarified. The key to the next step of work is to further strengthen party leadership over agriculture and rural work, pay close attention to implementation, and, through fruitful work, achieve real results in meeting the requirements of the central authorities and the municipal party committee for greatly strengthening agriculture and rural work. We should make sure that our understanding and work are in place; the system of responsibility for work targets is conscientiously carried out; leadership force is further replenished; functions are transformed and work styles improved; and all trades and professions render great support to agriculture.

Zhang Lichang spoke on specific opinions on current agricultural production and relevant issues. He pointed out: Stabilizing and developing grain and cotton production is a major issue concerning urban and rural economic development and social stability. The current serious drought has resulted in reduction of the areas sown to grain and cotton, and the prices of the means of agricultural production have increased. All districts, counties, and relevant departments should conscientiously study this issue and exert great efforts to make this year's grain and cotton production successful. We should adopt every possible means to stabilize the areas sown to grain and cotton. We should strive to increase the areas sown to grain, raise the multiple crop index, and plant the areas that can be planted in spring. We should make great efforts to increase per-unit yields, continue the grain increase demonstration project and the dissemination of the 500,000-mu paddy rice high-yielding cultivation technology this year, and achieve success in the cultivation and supplied of fine seeds. We should institute the system whereby district and county heads are responsible for management of targets. All districts and counties should assign grain and cotton production tasks to townships, villages, and households and hold the responsibility for them. On the premise that their total grain supply and demand are kept basically in

balance, they should develop and utilize land resources to develop good-quality, high-yield, and high-efficient cash crops and ensure rural self-sufficiency in grain supplies. All-out efforts should be made to combat drought to ensure wheat fields and spring sowing. All cadres of agricultural departments should overcome difficulties, concentrate efforts on this work, and make it successful. All trades and professions in Tianjin should actively support the antidrought work to ensure wheat production and support spring farming. We should deepen the reform of the grain purchasing and marketing system and establish the grain reserve system and risk fund. In addition to the portion to be consumed by peasants themselves, some of the grain produced in Tianjin should be supplied to its urban areas. Departments concerned should purchase this part of grain on a priority basis in line with state's regulations and policies, and they are not allowed to increase or lower the purchasing price at will. Grain departments should coordinate well with major grain producing areas, sign contracts with them, and ensure fulfillment of the contracts. They should play the major role in the supplies of grain. In line with state requirements and the actual demand of Tianjin, grain departments, in addition to ensuring normal grain supplies, should stabilize grain stock while ensuring a certain amount of circulating grain. Meanwhile, they should increase the reserve of edible oil to a proper extent through various channels. [passage omitted]

Tianjin Leading Cadre Hold Meeting

SK2304021994 Tianjin TIANJIN RIBAO in Chinese 14 Apr 94 p 1

[Excerpts] On the afternoon of 12 April, the municipal party committee and government held a meeting of district, county, and bureau leading cadres to sum up the work done in the first quarter of this year and to arrange the work for the second. The meeting stressed: The people from higher levels downward across the municipality should further be mobilized, clearly understand the situation, be inspired with enthusiasm, enhance the sense of urgency and the sense of responsibility, firmly attend to the work of the second quarter of the year which is the key season of the whole year, make consistent efforts, go all out to grasp the fulfillment of the work, comprehensively speed up the progress of the work in all aspects, maintain a good development trend, comprehensively fulfill the 1994 targets and tasks, and fight for making key breakthroughs and development.

Gao Dezhan, secretary of the municipal party committee; and Zhang Lichang, deputy secretary of the municipal party committee and mayor of the municipality, made important speeches at the meeting.

The meeting was chaired by Li Jianguo, deputy secretary of the municipal party committee. Li Shenglin, deputy secretary of the municipal party committee and executive vice mayor of the municipal government; Nie Bichu, chairman of the municipal people's congress standing committee; and Liu Jinfeng, chairman of the municipal

committee of the Chinese People's Political Consultative Conference were present at the meeting.

Gao Dezhan and Zhang Lichang pointed out in their speeches: Since the beginning of this year, the party committees and governments at various levels as well as all people of the municipality have taken Comrade Deng Xiaoping's theory on building a socialism with Chinese characteristics and the basic line of the party as guidance, done solid work and gone all out to do pioneering work according to the arrangements made at the second enlarged plenary session of the sixth municipal party committee and the overall work situation of the party as a whole, and maintained a good work development trend. The economic operation situation is good. When comparing the first quarter of this year with the same period of last year, the gross domestic product of the municipality increased by 12.4 percent when calculated in terms of comparable prices, the total output value realized by the industries at or above the township level increased by 14.6 percent, the foreign export trade volume increased by 23.2 percent, the amount of foreign capital used according to agreements increased by 55.4 percent, the total volume of retail sales of commodities increased by 30.3 percent, and the revenues increased by 24.6 percent. Faster progress was made in deepening reform of enterprises, readjusting and transforming old enterprises with foreign capital, renovation of dangerous, shabby, one-story houses, and construction of the new coastal area. Sixty-six key projects are under smooth construction. The tendency to increase the amount of foreign capital for use has been strengthened. Markets are being set up with high starting points. The construction of the spiritual civilization has been strengthened. The preparatory work for the 43d world table tennis event is positively being carried out. An upsurge of learning from advanced models has started. The anticorruption struggle has continuously and deeply been waged. The broad masses of cadres and people are inspired with enthusiasm and satisfaction. A municipal situation characterized by a developed economy, political stability, social progress, stability, and unity has further been consolidated and developed. Gao Dezhan and Zhang Lichang pointed out: The second season is an important key period as well as a golden season. Therefore, we must accelerate the progress of the work in all aspects, ensure that the semi-annual goals are exceeded by the end of the second quarter, also strive to fulfill the tasks in a faster and better way, and lay a solid foundation for comprehensively fulfilling the annual tasks.

Gao Dezhan stressed in his speech that we should profoundly understand the work situation of the whole party, upgrade the awareness of going into action under the overall situation, and positively and comprehensively promote the work in all aspects under this overall situation. To this end, he set forth four requirements: First, we must ceaselessly deepen our understanding to clearly understand and be submitted to the overall situation. We should firmly foster the idea about the overall situation, further enhance the awareness of

grasping the favorable opportunities, and persist in the quintessence of emancipating the mind and seeking truth from facts. Second, there must be new ideas and methods for development. We should actually shift the focus of economic construction onto the orbit of relying on scientific and technological progress, upgrading the quality of laborers, and increasing economic results as well as the orbit of relying on science and technology to make development so as to maintain sustained, fast, and sound development of the national economy.

Third, we should accurately handle the relations among reform, development, and stability. We should further foster the ideology of relying on reform to promote development and concentrate greater energy on deepening reform. Simultaneously, we should regard the maintenance of stability as a great matter relating to the overall situation and realistically attend to it. Fourth, we should persist in the principle of "taking a two-hand approach and being sure that both hands are tough" and ensure faster economic development and comprehensive social progress.

Gao Dezhan pointed out: To develop the work in all aspects in a faster and better manner in the new situation, the leading cadres at various levels must further grasp the major tasks as follows: First, closely in line with the overall party work situation, we should unwaveringly study Comrade Deng Xiaoping's theory on building a socialism with Chinese characteristics. We should conscientiously study original works and systematically conduct the study on special topics on the basis of thoroughly reading the third volume of the "Selected Works of Deng Xiaoping." Persistently according to the principle of linking theory with practice, we should ensure that we apply and arm our heads with what we have studied and use what we have studied to guide and promote our work. Meanwhile, we should organize the broad masses of cadres to deeply study the theory on and the basic knowledge of the socialist market economy. Second, we should conscientiously carry out the system of responsibility for the fulfillment of the fixed tasks to ensure the fulfillment of all tasks. According to the requirements for reality, firmness, and perfectness, we should divide tasks and assign them to individuals. We should strive to make the targets more advanced and to integrate contents of the targets further, embody the overall work situation and general work levels, strictly make assessment, and ensure both reward and penalization. We should improve, as soon as possible, where we lagged behind in the first quarter of the year. We should strengthen mid-term promotion and pay firm attention to supervision, examination, and implementation. Third, we should realistically improve our work style and exert efforts to firmly grasp the fulfillment of the tasks. Recently, the central leading comrades made a series of important instructions on improving the work style which hit the mark and are to the point. We must implement the instructions one by one. By summing up the work done in the first quarter, the leading bodies at various levels should conscientiously examine the existing problems in work style. Some of them should

especially convene democratic meetings to solve the problems in this aspect. We should emphasize "working solidly," telling the truth, think out real methods, do concrete deeds, and seek real efficiency. Fourth, we should further change the government functions and try every possible means to do solid deeds for enterprises. On the basis of persistently doing concrete deeds for the people, this year, in changing the government functions, we should focus our efforts on trying every possible means to do concrete deeds for enterprises. To do solid deeds for enterprises, we should have initiative, be concerned with and cherish enterprises, and regard the things of enterprises as our own. All departments should regard the difficulties and problems reflected by the enterprises as a key task that should first be handled for enterprises. Gao Dezhao urged that the leading cadres at various levels should have a good mental state and a solid work style, guide the broad masses of cadres and people in the municipality, work with one heart and soul in an arduous manner, and strive to comprehensively fulfill all targets and tasks of this year and make key breakthroughs and development in all work. [passage omitted]

Municipal leaders, including Liu Fengyan, Fang Fengyou, Song Pinghun, Luo Yuanpeng, Zheng Zhiying, Lu Xuezheng, Pan Yiqing, Zhang Haosheng, Zhuang Gonghui, Li Changxing, Huang Yanzhi, and Zhang Guanwen were present at the meeting as well as over 700 people such as principal responsible comrades of various departments, commissions, offices, districts, counties, and bureaus.

Northeast Region

Auto Plant in Jilin Successfully Restructured

OW2404031994 Beijing XINHUA in English 0129
GMT 24 Apr 94

[Text] Changchun, April 24 (XINHUA)—The No. 1 Automobile Conglomerate, one of China's leading producers of motor vehicles, has achieved great success on the market due to its efforts in producing better cars in line with market demand.

According to officials with the company, in the first quarter of this year, it sold 41,000 automobiles of various kinds, and earned 4.24 billion yuan in return, both showing marked increases compared with the corresponding figures for the same period of last year.

As one of China's oldest manufacturers of motor vehicles, the conglomerate, headquartered in Changchun, the provincial capital of northeast China's Jilin Province, has grown into China's largest auto producer and is now able to turn out lorries, sedan cars, light-duty trucks, minivans, and buses in more than 100 specifications.

Before 1978, the No. 1 Motor Vehicle Plant used to produce only a few kinds of automobiles, and concentrated on the production of "Liberation" brand trucks for about 30 years without changes.

In the middle 1980s, the central government decided to carry out structural adjustment of the auto industry step by step, and issued industrial policies to encourage the production of different light-duty trucks and sedan cars.

In 1986, the No. 1 Motor Vehicle Plant was listed as a production center of light-duty trucks, and the next year, it was made one of China's three major production bases of sedan cars.

Enjoying preferential policies concerning loans and fund-raising, the plant got 300 hectares of land around the old factory site to build two new workshops for producing light-duty trucks and sedan cars.

Besides importing sophisticated auto-making technology from Japan and the United States, the plant merged four other factories in Changchun and Jilin cities, and soon upgraded its light-duty trucks which are believed to have met the world's advanced standards.

A large number of light-duty trucks, new versions of "Liberation" vehicles produced with low costs and high quality, have been put onto the market since the beginning of this year and they are selling like hot cakes.

At the same time, the plant has also started development on 28 types of other light-duty trucks.

Officials with the company said that the plant would turn out 50,000 light-duty trucks this year.

In the meantime, construction of the sedan car production center has also made strides. At present, the No. 1 Automobile Conglomerate is able to produce three categories of sedan cars—Red Flag, Audi and Jieda.

Construction of the Sino-German joint venture plant between the No. 1 Automobile Company and the Volkswagen company of Germany is expected to be completed by the end of this year, and its workshops will produce 150,000 sedan cars a year.

Besides this production center of sedan cars in Changchun, China has got two other key production bases of sedan cars—one in Shanghai and the other in Shiyan city, central China's Hubei Province, in addition to three other centers in Beijing, Tianjin and Guangzhou for producing Beijing jeeps, Xiali cars and Peugeot cars.

Liaoning Secretary Inspects Southern Part of Province

SK2504090394 Shenyang LIAONING RIBAO in Chinese 10 Apr 94 pp 1,4

[By Reporter Wang Sumei (3076 4790 2734): "Gu Jinchi, secretary of the Liaoning Provincial CPC Committee, conducts investigations and study in the southern areas of Liaoning Province"]

[Excerpts] Accompanied by Xu Wencai, standing committee member and secretary general of the provincial party committee, Gu Jinchi, secretary of the provincial party committee, conducted five-day investigation and study activities in Haicheng, Wafangdian, Pulandian,

and Dalian from 30 March. After hearing the reports by various cities, districts, towns, and the provincial department for foreign trade and economic cooperation and visiting 10-odd production enterprises, markets, and peasant households, Comrade Gu Jinchi said pleasantly: "The areas in the southern part of the province have clear targets for developing agriculture, town and township enterprises, and the export-oriented economy; early entered the orbit of sustained, stable, and fast development; and made positive contributions to and provided extremely good experiences for the province's economic development." Simultaneously, he made an important speech on the current economic work, the current social situation, and party building.

It Is Necessary To Modernize Agriculture and To Urbanize the Rural Areas

Comrade Gu Jinchi first stopped in Haicheng, one of the "100 economically powerful counties" in the country. As soon as he arrived in Haicheng, he did not give a thought to his rest but asked the leading comrades of Anshan and Haicheng about the situations. The first question he asked was agricultural production. He said: "Liaoning is a large industrial province. Last year, the province reaped a bumper grain harvest and had grain and vegetables enough and to spare. The central authorities highly assessed this. On the basis of ensuring stable growing areas, this year, we should reap another grain, oil-bearing crop, and cotton harvests. This is a major issue which we should pay attention to. [passage omitted]

It Is Necessary To Combine Various Sectors of the Economy and To Accelerate the Rejuvenation of the Economy

Inspired by the spring wind of reform over the past years, the southern areas of the province have rapidly developed various sectors of the economy, including the individual, private, and collective ones, persistently with the public ownership constituting the mainstay. Last year, the total output value of the town and township enterprises in Haicheng reached 13.7 billion yuan, and the profits realized by these enterprises reached 1.4 billion yuan. Town and township enterprises account for two thirds of the economic sphere. [passage omitted]

To Develop Economy and Trade On a Large Scale, We Should First Mobilize the Forces of All Fronts

On the morning of 2 April, Comrade Gu Jinchi heard the work reports of the Dalian city party committee and government and fully affirmed the work done by the city. He maintained: Last year, Dalian city made great achievements in its work. The 1994 work ideas and priorities conform to the reality of the city. He hoped that according to the defined targets, the city will grasp favorable opportunities, deepen reform, expand the scale of opening up, and further play a leading role in opening the province to the outside world. [passage omitted]

We Should Consciously Strengthen Party Building

Wherever he went, he laid special stress on strengthening party building. He pointed out: we should pay attention to accumulating the experiences in bringing into play the party's role as a political core in the course of developing the socialist market economy. We should cultivate a group of young party-member specialized talents; select, according to the standards for "having ideals, education, morality, and a sense of discipline," young cadres with both ability and political integrity; and transfer them to the leading bodies at various levels. We should persist in the mass line when selecting and promoting cadres. Some individual leaders select persons according to their own tastes. So, they often make mistakes. The leading bodies at various levels should persist in the principle of democratic centralism, strengthen unity, closely cooperate with one another, and make concerted efforts to achieve their work.

Comrade Gu Jinchi said: We should realistically strengthen the construction of the grass-roots party organizations and pay attention to recruiting young outstanding party members from the forefront of production. The party organizations at various levels should proceed from the new situation and the new tasks and achieve the construction of ideas, organizations, and work style. Party-member cadres should take the lead in carrying forward the fine traditions of the party, establish close contacts with the masses, be the first to carry out the reform and open policies and develop the economy, and take the lead in guiding the masses to seek wealth.

Panjin City in Liaoning Assists Workers

SK2304061094 Shenyang Liaoning People's Radio Network in Mandarin 1000 GMT 22 Apr 94

[Text] Panjin city has adopted measures to help staff members and workers overcome their living difficulties to safeguard social stability. Since the beginning of 1993, there have been more than 4,000 households that are encountering living difficulties in Panjin city. The city party committee and the city people's government have continuously paid attention to successfully dealing with the problems encountered by staff members and workers in life and employment. They have issued the certificate to staff members and workers whose per capita income is under 60 yuan and who may enjoy the social relief in various fields only by presenting this certificate. Since the beginning of 1993, the city has successively raised almost 1 million yuan of funds that have been used for subsidies and relief to over 1,700 staff members and workers who are faced with living difficulties. By increasing the variety of new products and implementing the policies on preferential treatment, the city has also reinforced the insurance system for unemployment and retirement in an effort to fundamentally deal with the living problems of staff members and workers. In 1993, the city opens more than 100 economic entities and enterprises that began the production and operation of more than 30 new projects and accommodated more

than 6,800 lay-off staff members and workers as well as their jobless sons and daughters. The city has enforced the policies on preferential treatment among the staff members and workers who were laid off for a long time by encouraging them to open self-employed businesses and by giving consideration to them in the fields of workshops, funds, and industrial and commercial taxes. Meanwhile, the city has also enhanced the insurance system in unemployment and retirement. The per capita relief and retirement payments for all jobless personnel and retired staff members and workers across the city are respectively 90 yuan and 130 yuan each month. The city has invested 2.36 million yuan in building over 300 production bases and organizations for the unemployed staff members and workers to provide for and help themselves by engaging in production. The number of enterprises that have suspended production or are in a state of semi-suspension throughout the city went from 132 in the past to 14 at present and the number of laid-off staff members and workers showed a 60 percent decrease.

Northwest Region

Telephone Lines Link Most Ningxia Townships
OW2204025594 Beijing XINHUA in English 0229
GMT 22 Apr 94

[Text] Yinchuan, April 22 (XINHUA)—A boost in telephone communications has helped promote economic progress in northwest China's remote Ningxia Hui Autonomous Region.

Now 98 percent of the region's townships have access to telephones, fundamentally changing the backward telecommunications situation in rural areas, according to Ma Zaifu, director of the regional administration of rural telephones.

A high-tech telecommunications system consisting of optic-fiber, ultra-high frequency and micro-wave facilities has been set up in the autonomous region.

Local officials hold that the progress telecommunications has laid solid foundation for further growth of the rural economy.

The regional telecommunications department is now making efforts to further upgrade its telecommunications system by using new- and high-technology.

Qinghai Governor Urges Social Stability
HK2204132794 Xining Qinghai People's Radio Network
in Mandarin 2300 GMT 10 Apr 94

[Excerpts] At a recent provincial meeting promoting the maintenance of good social order and commanding those who boldly do what is right, Governor Tian Chengping pointed out: The entire party and the whole society must vigorously support and praise residents who are ready to take up the cudgel for the just cause of fighting against acts which violate the law, so that this practice can become a new symbol of our era. He added:

Our purpose of safeguarding social order is to maintain social stability to ensure the smooth development of the cause of reform and opening up.

We must profoundly understand the relationship between reform, development, and stability. In accordance with Comrade Deng Xiaoping's ideas of doing two types of work simultaneously and attaching equal importance to both, we must grasp economic construction and reform and opening up with one hand, and grasp improvement of judicial system and cracking down on various criminal activities with the other. To do well in safeguarding social order, it is insufficient to rely on the strength of judicial organs alone. We must persist in the mass line and fully arouse the enthusiasm of the masses in safeguarding social order, and exploring a new way for improving social order in light of the development of the situation. [passage omitted]

Tian Chengping also called on CPC committees and governments at all levels to attach importance to the activities of publicizing the act of boldly doing what is right. They must strengthen leadership, make well-conceived arrangements, and take strong measures. These activities should be included in the general plan for the building of the socialist spiritual civilization and integrated with the efforts to inherit and carry forward Qinghai's spirit of striking deep roots on the plateau, working hard, exploring the way forward, and being selflessly devoted. We must go all out to make Qinghai strong and create its glorious future.

Qinghai Reports Export Growth

HK2204133294 Xining Qinghai People's Radio Network
in Mandarin 2300 GMT 10 Apr 94

[Excerpt] Our province's exports have increased gradually. By the end of this March, export volume of the whole province reached approximately \$25 million, which accounted for 23.65 percent of the total export volume for the whole year, and registered an increase of 30.25 percent over the same period last year.

This year the provincial economic and foreign trade department and various specialized companies have firmly grasped the fine opportunity of speeding up the pace of transforming operational mechanisms, unifying foreign exchange rates, and abolishing foreign trade enterprises' task of turning over foreign exchange to the state, to solve new problems arising in the foreign trade system through deepening reforms. They have also overcome various unfavorable factors such as an insufficient supply of goods and increases in export costs and loan interest rates. They have devoted their main efforts to tapping internal potential and enhancing economic efficiency. [passage omitted]

Song Ping Concludes Shaanxi Inspection
OW2304053594 Beijing XINHUA Domestic Service in
Chinese 0629 GMT 25 Mar 94

[By reporter Wang Shihuan (3769 0013 3562)]

[Text] Xian, 25 Mar (XINHUA)—Song Ping concluded his 17-day inspection of Shaanxi yesterday. During his inspection tour, Song Ping stressed: We must regard agriculture as the foundation of the national economy. After we ensure grain and cotton acreages and increase their total output, we must adjust the agricultural production structure in rural areas and raise peasants' income level.

From 8 to 24 March, accompanied by Zhang Boxing, secretary of the Shaanxi Provincial CPC Party Committee; Cheng Andong, member of the Shaanxi provincial committee standing committee and secretary of the Xian city party committee; and Li Huanzheng, member of the Shaanxi provincial committee standing committee and secretary of the provincial party committee's Commission for Discipline Inspection, Song Ping visited factories, rural areas, and schools, and called on workers, peasants, experts, professors, and veteran comrades to acquire a better understanding of industrial and agricultural production, and the development of cultural and educational undertakings. Wherever he went, he held talks with local cadres and people and encouraged them to make greater progress.

Song Ping has worked in Shaanxi for 15 years. Song Ping said: Under the party's correct leadership, the provincial party committee and government have done a large amount of work. Shaanxi has developed rapidly and the major changes it has undergone are gratifying. Shaanxi has many strong points and should seize the opportunity to deepen reform and quicken development.

During his talks with grass-roots cadres, Song Ping said: Cadres should concentrate their efforts on mobilizing peasants to improve their living standards, vigorously develop village and town enterprises, and develop industry to assist in agricultural development. Cadres should work diligently at their posts, be honest in performing their official duties, and serve the people wholeheartedly. They should go down to the grass-roots units and establish close contact with people in an effort to communicate with units of lower levels and to resolve the masses' problems. Weinan prefecture carries out a very good measure requiring leading cadres to report their major decisions to the masses for approval. In this way, cadres are under the supervision of the party and the masses. Weinan must continue this measure. It is very important for us to build good grass-roots party and political power organs and to play the exemplary role of a party member. Only when we build good grass-roots party and political power organs, can we carry out the party's decisions and policies. While we are paying attention to material civilization construction, we must make great efforts to promote spiritual civilization construction, collectivism, patriotism, and socialism. We should do a good job in family planning and in promoting the overall development of the rural economy. Song Ping hoped party committee and government cadres at all levels would work hand in hand and make concerted efforts to build a better Shaanxi.

Xinjiang Issues 1993-94 Budget Report

OW1704225694 Urumqi XINJIANG RIBAO in Chinese
8 Mar 94 p 2

[“Report on the Implementation of Xinjiang's Budget for 1993 and its Draft Budget for 1994” delivered by Gong Jinniu, director of Regional Finance Department, to the Second Session of the Eighth Xinjiang Regional People's Congress on 24 February 1994]

[Text] Deputies:

Being entrusted by the people's government of the autonomous region, I now submit the report on the implementation of the Xinjiang Uygur Autonomous Region's budget for 1993 and its draft budget for 1994 for your examination and approval.

1. Implementation of the Autonomous Region's Budget for 1993

In 1993, guided by the guidelines of the 14th CPC National Congress and the Third Plenary Session of 14th CPC Central Committee, the autonomous region earnestly implemented the series of important measures of the party central committee and the State Council for strengthening macroeconomic regulation and control, earnestly carried out the resolutions of the first session of the eighth regional people's congress, and deepened reform in various areas, and further opened to the outside world, thus achieving new progress in developing the economy and other undertakings. On this basis, the budget was implemented well, and revenue income was considerably more than that received in 1992. Basically, expenditures were able to meet the needs for economic and social development.

The 1993 budget, approved at the first session of the eighth regional people's congress, is as follows: revenue 2.772 billion yuan; expenditure 4.554 billion yuan. In the course of implementing the budget, it was partially readjusted with the approval of the fourth meeting of the standing committee of the eighth regional people's congress last September. After this, the central authority readjusted the revenue and expenditure figures in the region's budget. The readjusted budget is as follows: revenue 2.83 billion yuan and expenditure 6.634 billion yuan.

The autonomous region's 1993 revenues and expenditures are expected to be as follows: revenue is expected to reach 3.47 billion yuan, or 122.61 percent of the fiscal budget (the readjusted budget, same below) of 2.83 billion yuan, representing 640 million yuan more than the budgeted figure or an increase of 863 million yuan or 33.08 percent over 1992; expenditure is expected to amount to 6.446 billion yuan (including 229 million for workers' pay raises readjusted in the fourth quarter of 1993; this amount was listed under other categories of expenditures), or 97.17 percent of the fiscal budget of 6.634 billion yuan, representing an increase of 837 million or 14.92 percent over 1992 (an increase of 608

million or 10.84 percent after deducting the amount to pay for workers' wage increases).

The main revenue figures are expected to be as follows: Industrial and business tax revenues are expected to total 3.146 billion yuan, which is 123.37 percent of the budgeted figure, surpassing the budgeted figure by 596 million yuan and representing an increase of 819 million yuan or 35.19 percent over 1992; taxes from agriculture, animal husbandry, special agricultural and forestry products, the using of arable land, and contracts will be 136 million yuan, up 3.86 percent over the previous year; after profits are set against losses, enterprises' income will be 54 million yuan from canceled stocks, which is 52 million yuan short of the budgeted figure and represents 18 million yuan of fewer stocks canceled compared with 1992. Actual revenue from grain will be 42 million yuan less than the budgeted figure after deducting 59 million of losses in 1993 (used as grain price subsidies for workers of enterprises and institutions). In 1993, the autonomous region's revenues rose by a large margin, surpassing the previous year's figure by 863 million yuan. The main reasons are: first, the region earnestly implemented the CPC Central Committee's Document No. 6 and strengthened overall regulation and control over its economy. Production expanded, the market was brisk, and revenue sources increased. Business tax increased by 260 million yuan (not including the income from raised tax rates) due to the expansion of commodity circulation and the increase in retail sales; second, the region strengthened tax collection and management, resolutely put a stop to new tax exemptions and reductions, and recovered back taxes; and third, the central authorities raised the tax rate for Xinjiang's petroleum products, started levying a crude oil tax, changed the rules for collecting taxes from processed crude oil products, and raised the tax rate for retail businesses. These policies will result in a tax income increase of 280 million yuan.

The main expenditures are expected to break down as follows: Capital construction expenditures, 650 million yuan, an increase of 26 million yuan or 4.1 percent over 1992; expenditures for tapping the potential of and transforming enterprises, 158 million yuan, up 37.01 percent over the previous year; expenses for three scientific and technological projects, 41 million yuan, up 23.23 percent over 1992; expenses for support of rural production, 304 million yuan, up 3.89 percent over 1992; expenses for agricultural, animal husbandry, forestry, water conservation, and weather departments, 370 million yuan, up 7.07 percent over the previous year; expenses for education, culture, and public health, 1.775 billion yuan, an increase of 15.92 percent over 1992, of which education expenditure, 1.70 billion yuan, up 14.26 percent over 1992; expenses for science and technology, 63 million yuan, up 13.62 percent over 1992; administrative expenses, 1.1 billion yuan, an increase of 20.46 percent over the previous year; expenditures for public security, procuratorial, and judicial organs, 337 million yuan, up 25.21 percent over 1992. The above expenses do not include the expenditure for pay raises

effective since the fourth quarter of last year. The expenditure was listed under another category.

In 1993, expenses for various undertakings, especially administrative expenditures, in the autonomous region rose considerably, and expenses for production and construction projects also rose to varying degrees. The increase in the administrative expenses and expenses for other undertakings was caused by the increase in pay for personnel. Price rises also contributed to the increase in the expenses for various undertakings. Last year, despite serious financial difficulties, we basically ensured wage payments for workers of administrative departments and institutions and also ensured the funds for the development of the economy and other undertakings as set in the budget. This is the result of the joint efforts of various localities and departments and is also the result of assistance from the central authorities. Last year, the central authorities loaned our region 200 million yuan to help alleviate our shortage of funds.

Next I would like to report on the execution of the 1993 budget at the autonomous regional level. Total revenues are expected to be [as published] 365 million yuan, 168 million yuan more than budgetary target and 135 million yuan or 58.61 percent more than 1992 revenues. Of the total revenues, industrial and commercial taxes amounted to 347 million yuan, 157 million yuan more than the budgetary target and 167 million yuan more than the 1992 figure. The net revenues from state-owned enterprises of the autonomous regional level amounted to 69 million yuan, which included income tax, regulatory tax, and profit delivery after deduction of subsidies to those enterprises which suffered business losses; and the figure was 30 million yuan less than the budgetary target. The total expenditures are expected to be 1.825 billion yuan (including 45 billion yuan for wage increases for regional-level organizations in three months of 1993), fulfilling 77.27 percent of the fiscal budget and up 167 million yuan or 10.05 percent from 1992 figure (the slow progress of the expenditure was because there were more carry-overs of special central fundings and they were used in wage payments in various localities).

The above is the situation of the budget's execution. After the final accounts are completed, there will be some changes in figures and another report will be delivered then.

To fulfill the 1993 budget targets, all localities and departments continued to strengthen their leadership over fiscal work, made great efforts to increase revenues and reduce expenditures, and concentrated on the following aspects of work:

(1) Great efforts were made to support the development of production and cultivate financial resources. In the second half of 1993, finance departments at all levels made rational distribution of funds, basically ensured funds for productive undertakings, increased investment in agriculture and animal husbandry through various channels, and ensured timely availability of funds for the purchase of agricultural products. They used circulation

funds in supporting the technological transformation of enterprises and thus helped enterprises to promote production. They took a further step to support the development of border towns and the county-level economy. They serviced the World Bank's loans on time, and all projects undertaken with the loans are proceeding smoothly, gradually yielding economic and social benefits.

(2) Efforts were made to improve the collection and management of revenues. All local authorities screened tax reductions and exemptions they had previously approved, as well as local provisions on the two funds [construction funds for key energy and communications projects and budgetary regulatory funds]. They abolished some improper policies and stopped approving requests for tax reduction or exemption on grounds of temporary difficulties. So, the situation of approving unwarranted tax reductions and tax exemptions at will were by and large brought under control. They also corrected the practice of some enterprises paying a fixed amount of turnover tax by contract and thus upheld the dignity of the tax law. At the same time, they improved the collection and management of agricultural and animal husbandry taxes and overfulfilled their treasury bond sales task.

(3) Funds were distributed in a rational way to ensure funding for key expenditures. They adhered to the principle of ensuring funding for wages, basic administrative expenses, and winter needs, and gave first priority to funding the wages and operating expenses of administrative organizations and institutions. They also ensured funds for maintaining social stability, combating natural disasters and providing relief, and preventing and controlling diseases. At the same time, they attached importance to saving administrative operating expenses, and in the second half of the year stopped approving most requests of administrative institutions for buying controlled commodities.

(4) They did a good preparatory work for the reform of the fiscal and taxation systems in support of economic restructuring. Following the unified arrangements made by the Party Central Committee and the State Council, they seriously prepared for the implementation of the revenue-sharing system—an objective of the reform of the fiscal and taxation systems. The fiscal departments at various levels earnestly implemented "Regulations on Transforming the Operational Mechanisms of State-Owned Industrial Enterprises," helped enterprises exercise their autonomy, and seriously did a good job in signing the third round of contracts with enterprises. They achieved very good results in deepening the reform of the commodity distribution system and in reforming the grain management system, and did a great deal of work in improving the reappraisal of the assets of administrative institutions. They made positive efforts to appraise assets, define property rights, and register property rights. They began, as scheduled, the implementation of "general principles of financial affairs of enterprises," "rules for enterprise accounting," and the

accounting systems for various professions and trades on 1 July 1993. As a result, those major reforms were carried out smoothly.

(5) Efforts were made to rectify fiscal and taxation order and enforce financial and economic discipline. They seriously conducted a general inspection of taxation and financial work and achieved certain success. They generally screened the circulation funds and improved their management. They adopted effective measures and basically stopped unwarranted pooling of funds, arbitrary imposition of fines and exaction of fees, and unauthorized requisition of donations. Those measures have played an important role in reducing the unreasonable burdens of enterprises and the people.

While achievements were the main feature of the autonomous region's fiscal work in 1993, it also had many difficulties and problems. The major problems were as follows: The problem of low growth and low efficiency among enterprises was not fundamentally solved. The losses suffered by industrial enterprises covered by the budget continued to increase and most enterprises lacked the basis for further development, impeding revenue increases. The net increase of income of most prefectures and counties was far from being sufficient for defraying the increase of expenditures, because the revenue base was small, the expenditure base was large, and the increase of revenues was uneven among various localities. Moreover, it is difficult to reduce present expenditures because a large portion is wages; and so, the financial situation is becoming worse. With increasing debts and financial deficits, the financial difficulties are becoming greater and greater at all levels. Because of deficits, more special-purpose funds have been diverted to other-than-intended purposes, causing difficulties in fund distribution and frequent delay in wage payments. While these are financial problems, they are also a comprehensive reflection of social and economic problems.

2. Draft budget of the autonomous region for 1994

The autonomous region's budget for 1994 is projected in accordance with the guidelines of the Third Plenary Session of the 14th CPC Central Committee and the Sixth (enlarged) Plenary Session of the Fourth Autonomous Regional CPC Committee, as well as the guidelines of the national economic work conference and financial work conference. The guiding principles for budget projection are to actively and properly promote the revenue-sharing system during the reform of the fiscal system and other relevant reforms and continue to strengthen and improve overall fiscal regulation and control; by promoting production and enhancing economic efficiency, to vigorously cultivate financial resources, continue to manage taxation according to law, step up tax collection, and strive to achieve a steady revenue growth; and in accordance with the principle of "feeding the people and building the region simultaneously," to give first priority to paying wages while making overall arrangements for other expenditures, so as to ensure a social and political

stability, ensure a smooth proceeding of reform and opening up, and bring about a rapid and highly effective economic development in the autonomous region.

Following the central authorities' unified plan and the State Council's "decision on implementation of the revenue-sharing fiscal system," Xinjiang began the revenue-sharing fiscal system on 1 January 1994. The revenue-sharing system is implemented on the basis of the reform of the taxation system. The reform of the taxation system mainly involved the reform of the turnover tax. The new turnover tax system is mainly based on the value-added tax, supplemented by the consumption tax and the business tax. Under the new revenue-sharing system, the central government receives all revenues from the consumption tax and 75 percent of the revenues from the value-added tax; while the local government receives 25 percent of the revenues from the value-added tax and all the revenues from the business tax. Other tax revenues are shared roughly according to old proportions. The tax revenues delivered to the central government will be based on the 1993 figure. If more revenues are delivered than in the previous year, the central government will keep a larger share of the increased portion while returning the rest to the local government.

Our 1994 budget is projected in accordance with the aforesaid guiding principles, the quotas set for Xinjiang by the national financial work conference, the autonomous regional economic and social development plan for 1994, and the requirements of the revenue-sharing system. Our targets are: revenues, 2,448 billion yuan, up 9.86 percent or 220 million yuan from the comparable, readjusted 1993 revenues of 2,227 billion yuan, expenditures, 6,615 billion yuan, an increase of 27.21 percent or 1,415 billion yuan over the 1993 base figure (excluding the spendings defrayed by special central fundings and the spendings on wage increase in the fourth quarter) if calculated in terms of comparable items.

(1) The autonomous region's major revenue targets in 1994 are: industrial and commercial taxes, 2,064 billion yuan; five agricultural taxes, 212 million yuan; enterprise income tax, 408 million yuan; subsidies [source not further clarified] for state-owned enterprises which suffer losses, 394 million yuan; and other incomes, 60 million yuan.

In arranging the above revenue targets, we have taken into consideration such favorable factors as increased production and commodity circulation. At the same time, we have also considered some policies which will decrease the revenues. According to our estimate, we expect to increase the business tax revenue by approximately 100 million yuan this year. We also expect to increase the resource tax by approximately 100 million yuan due to increased crude oil output, and collect some 30 million yuan more in agricultural tax due to higher prices of agricultural products. This shows that the 1994 budget is properly projected.

(2) Major expenditure targets are: capital construction, 400 million yuan; enterprise transformation, 93 million yuan; support for agricultural production, 217 million yuan; operating expenses of agricultural, animal husbandry, forestry, water, and gas departments, 442 million yuan; operating expenses for cultural, education and public health departments, 2,456 billion yuan—of which the education department will receive 1,534 billion yuan; operation expenses for science undertakings, 80 million yuan; administrative expenses, 1,345 billion yuan; and expenses for the work of public security, the procuratorate and the judiciary, 451 million yuan.

The additional expenditures for 1994 include the additional budget of 915 million yuan for wage reform (assessed on the basis of wage increases for 12 months)—which has been incorporated with allotments for various administrative projects—and 500 million yuan for hiring additional personnel. This year's allotments for various administrative projects have grown by a fairly large percentage, primarily because of higher wages.

(3) Views about arrangements for the regional treasury's receipts and payments in 1994:

1. The regional treasury's receipts in 1994 will be 1.7 million yuan in the red. Among the receipts will be 115 million yuan from business taxes, 130 million yuan from state enterprises' income taxes, and 290 million yuan for subsidizing state enterprises' losses, which are permitted by policy.

2. The regional treasury's budgetary payments in 1993 will be 1,631 billion yuan (certain budgets will be allotted to local authorities). This includes 1,437 billion yuan of basic expenditures—same as those in 1993—154 million yuan for wage increase, 20 million yuan for law enforcement, and 20 million yuan for enterprises' technological upgrading.

3. The amount of money available for the region's use in 1994 will be 1,524 billion yuan after the subsidies for lower authorities have been deducted from the region's revenues, which also include the central government's regular subsidies and tax refunds; but because of the 1,631 billion yuan of budgetary expenses, there will be a deficit of 107 million yuan.

It must be pointed out here that the region's expenditures for 1994 are based on the basic budgets in early 1993, plus 154 million yuan for wage increase and an additional 40 million yuan for law enforcement and technological upgrading, and not on the basis of budgetary expenditures in 1993. Budgets for certain essential expenses in 1994 are not arranged.

3. Strive To Accomplish the Autonomous Region's 1994 Budgetary Plans by Implementing Measures for Increasing Revenues and Conserving Expenditures

To accomplish the region's budgetary plans for 1994, safeguard the region's social and political stability, and expedite the region's economic growth and development

of other causes, we must follow through with the guidelines laid down by the Third Plenary Session of the 14th CPC Central Committee and the Sixth Plenary (Enlarged) Session of the Fourth Xinjiang Regional Party Committee. Surrounding the general requirement—"seizing the opportunity, deepening reform, opening up wider to the outside world, expediting development, and maintaining stability"—we must give priority to accomplishing the following projects:

(1) We must speed up the pace of reform. This is the first year for carrying out the reform of establishing separated central and local taxation systems, we must positively and reliably carry out this and other relevant fiscal and tax reform projects according to the central authorities' consolidated plan. We must positively and reliably reform state enterprises' profit-sharing system, properly distribute their profits, and see to it that they change their operating mechanisms. We must manage state-owned assets more efficiently, continue to reappraise enterprises' stocks and assets, and determine their property rights, and make sure that the state's assets and interests are not violated.

(2) We must broaden the sources of financial incomes through supporting the development of production. All localities and departments must continue to attach great importance to supporting agricultural production and animal husbandry. They should do their best to increase investments in agriculture and animal husbandry as well as in the development of agricultural projects which yield a high output of quality products, and actively support the development of secondary and tertiary industries in rural areas, especially the development of village and town enterprises. We must continue to attach importance to enterprises' technological upgrading and assist them to improve their production technology, operations, and management so that they can become more competitive in the market. We must energetically support the development of local trade and border trade. All localities should give full scope to their resources so that their rich resources can be turned into economic strength and financial resources.

(3) We must ensure a sustained and steady increase of taxes through tightening tax collection and management. All localities and departments must earnestly implement the "Tax Collection and Management Law," we must do our work strictly in accordance with regulations, and collect taxes according to the established tax rates. While exercising strict control over tax deductions and exemptions, we must make great efforts in screening delinquent tax payments. In accordance with the tax law, we must strictly handle individuals and units which have evaded or contested tax payments, and we must make sure that all small tax loopholes are plugged and all taxes are delivered to the treasury in full.

(4) We must intensify control over our budgets and spend money rationally. To uphold the solemnity of budgets, all localities and departments must carry out their projects according to budget availability, and

uphold the principle that receipts and payments are uniformly controlled, and that large receipts and payments must be collectively decided. Considering the current financial difficulties and financial capabilities, and in accordance with the principle of making overall plans and taking all factors into consideration, all localities and departments must rationally spend their funds according to urgency and priority. Payment of workers' wages must have precedence over various other expenditures, and expenses for combating disasters, relief services, and medical services must be ensured. We must tighten the management of nonappropriated funds, continue to audit the receipt and payment of all units' nonappropriated funds, and encourage all units to make up insufficient budgets with their nonappropriated funds.

(5) We must adopt strict measures for increasing revenues and conserving expenditures and count on society to tide over financial difficulties with concerted efforts. We must heighten our sense of reform, properly solve our needs this year with unconventional methods, and firmly stop unwarranted projects that increase spending and reduce income. To ensure a sustained growth of revenues, all localities and departments must energetically develop production, and make positive efforts to achieve higher economic returns and explore financial resources. Meanwhile, we must strictly control expenditures. We must strictly control the size of capital construction projects, stop authorizing new construction projects and all types of office buildings, auditoriums, guesthouses, and activity centers. We must adopt specific measures to curtail expenses for meetings, strictly control establishment of additional organs and expansion of authorized staff sizes, and correct the impropriety of giving out unwarranted cash awards and allowances. We must tighten management of budgets for public-funded medical services to stop waste while making sure that sick people will receive medical attention. Administrative units and institutions throughout Xinjiang must have special bank accounts to ensure the availability of money for wages. Effective measures must be taken to stop certain wasteful practices to which the masses have responded strongly. We must firmly stop the improper tendency of purchasing luxury cars, and firmly stop the use of public funds for housing renovations that exceed established standards.

We are confronted with a very grim financial situation this year. To tide over the difficulties, we must adopt some strict measures for increasing revenues and conserving expenditures, but this certainly will affect the interests of some departments and units. So that the measures for increasing revenues and conserving expenditures can be effectively carried out, we need the understanding and support of all social quarters. Leading cadres at all levels, in particular, must set personal examples in this regard.

Fellow deputies, Xinjiang's financial problems have become even worse this year. To alleviate the problems, society as a whole must continue to support financial

retrenchment projects; have a clear view on the financial situation; understand the need to lead a plain life, work diligently and thrifitly, consider the overall needs, help one another, and tighten our belts; and give financial departments the support they need in attaining their goals. Under the correct guidance of the regional party committee, and with the supervision and support of people's congresses in Xinjiang, we must count on people of all nationalities in our region, earnestly follow the guidelines laid down by the Third Plenary Session of the 14th CPC Central Committee and those by the Sixth Plenary (Enlarged) Session of the Fourth Xinjiang Regional Party Committee, stop empty talk, and work earnestly and practically to accomplish all budgetary assignments of our autonomous region this year.

Hong Kong Journal Discusses Xinjiang Stability
HK2104123394 Hong Kong TANGTAI in Chinese No 37, 15 Apr 94 pp 57-59

[By Zhang Zhirong (1728 2784 2837), member of the Department of International Politics at Beijing University: "Xinjiang Comes Under the Onslaught of Various Foreign Forces"—first paragraph is TANGTAI introduction]

[Text] Muslim fundamentalism, which began emerging in the 1990's after the disintegration of the Soviet Union, is now rocking both the East and the West, as well as China's Xinjiang region. The Organization of East Turkistan has staged a comeback and has demanded the independence of Xinjiang. The United States has also made some new moves along the Chinese border. Xinjiang is tumultuous.

According to a report carried by China's RENMIN GONGAN BAO on 25 January 1994, in Urumqi, Xinjiang's regional capital, public security police found many reactionary slogans from outside the border, and the main idea of them was: "No communist party, no Han people; we want only Muslims and independence." In recent years, similar anticommunist and anti-Han slogans could often be found in Xinjiang. This is a reflection of the attempts by some major powers to strengthen penetration into China's frontier regions, where ethnic minorities live, since the disintegration of the Soviet Union.

Since the threat from the Soviet Union disappeared, Iran, Turkey, and other big powers in Central Asia have become very ambitious; they want to use their religious and cultural influences to control the regions of Central Asia, whereas the United States also wants to use its world-class hegemonic strength to fill the political vacuum in Central Asia. The Republic of Kazakhstan, which has just become independent and possesses nuclear weapons, also wants to ask the Chinese Government to return its territories and people. Under such complicated circumstances, China's Xinjiang region is enduring both open strifes and veiled struggles among various foreign forces.

Iran and Turkey Step Up Offensives Against Xinjiang

The rejuvenation of Islamic fundamentalism takes place mainly in Central Asia. The disintegration of the Soviet Union enabled Islam, which was suppressed for several decades in Central Asian nations, to rapidly grow. The rejuvenation of fundamentalism in Central Asia has affected the security of China's frontier regions.

China has 17 million Muslims, of whom over 6 million live in Xinjiang, which borders Central Asia. They have close historical, ethnic, and religious links to Central Asia. After the liberation of Xinjiang, the activists who had fought for Xinjiang's independence fled to Central Asia, waited for a chance to come back, and continued to carry out pro-independence activities.

The rejuvenation of fundamentalism in Central Asia is inseparable from the efforts by the major Muslim countries, such as Turkey and Iran, to expand their influence in the former Soviet republics and the six countries in Central Asia. Historically, Turkey has been linguistically and culturally linked to Central Asian nations such as Uzbekistan, Kyrgyzstan, and Kazakhstan. It preaches "Greater Turkism" in Central Asia and attempts to establish a federation spanning from Turkey to Xinjiang.

Iran also has religious links to Central Asian nations such as Azerbaijan and Tajikistan, and has many Shiites. Iran thinks that since the disintegration of the Soviet Union, a vacuum has emerged in Central Asia which ought to be filled by fundamentalism. For this reason, Iran has sent government officials and religious scholars there, with their Koran, to launch diplomatic and cultural offensives against Central Asia. China's Xinjiang has naturally felt the repercussions of the Muslim offensive.

East Turkey Group Once Again Becomes Active

In the 1930's and 1940's, Xinjiang had a force for independence. A short-lived East Turkistan Republic was founded in 1933. At the end of the 1940's a group of Muslims who advocated Xinjiang's independence and were led by Aisha [5337 3097] attempted to grasp the political power of Xinjiang Province; they also preached Turkism. After the liberation of the whole country, the Aisha group fled to the Republic of Turkey and carried out pro-independence activities outside the border.

Since the great changes in the Soviet Union and East Europe, the Aisha group has become more active in carrying out pro-independence activities. They strengthened ideological propaganda toward the Xinjiang region, established publication organs, and compiled books and magazines, which they secretly brought to Xinjiang to preach the theory of "independence" among Xinjiang youths. In west Asia and Turkey, the activists advocating Xinjiang independence also took the opportunities arising from pilgrimages, tours, and homecoming trips to enter and leave Xinjiang and support the masses in confrontation with the government, so as to "drive the Han people out." When Usup Aisha Alpertgene [you su pu ai sha a er pa te jin 1429 4790 2528 5337 3097 7093

1422 1584 3676 6855], leader of the former East Turkestan, expounded on the Koran in Istanbul at the age of over 90, he often advocated that Xinjiang's Muslims should stand up for resistance. Shortly before he died, he handed to Turkish prime minister Ozal a banner symbolizing independence.

Aisha also fostered links with activists advocating the independence of Tibet, and published articles in *TIBET REVIEW*, which was headed by the Dalai Lama. The articles encouraged the followers of the Dalai Lama and Aisha to unite for the cause of confronting the Han people and realizing the independence of Xinjiang and Tibet.

Kazakhstan's Influence Quietly Taking Shape

The Republic of Kazakhstan, a former republic in the Soviet Union, is a big country in Central Asia. After its independence, nationalism in the country has increased. Last year, in Alma Ata, its capital, a grand world meeting of representatives of Kazakhs was held to preach greater Kazakh nationalism and unity of Kazakhs.

China shares 1,724 km of borders with Kazakhstan. Within China there are 1.12 million Kazakhs, among whom 99 percent live in Xinjiang, with a small number in Gansu and Qinghai. They are linguistically and culturally linked to Kazakhstan.

Last year, a delegation of Chinese scholars visited Kazakhstan. Several Kazakh writers talked lavishly about greater Kazakh nationalism to the Chinese scholars. They thought that Kazakhstan may abandon territorial claims from China, but the Chinese Government must let the Kazakhs living in Xinjiang return to their mother nation of Kazakhstan. Although the Sino-Kazakh border was already fixed in the Qing dynasty, most boundary tablets have collapsed or become blurred over the years. Kazakhstan has used this as an excuse to raise several territorial claims from China, but the Chinese Government has always suspected that those claims are attempts to swallow up the areas inhabited by the Kazakhs in Xinjiang.

Kazakhstan's Nuclear Weapons Pose a Threat to China

In addition, the Republic of Kazakhstan's nuclear weapons also pose a threat to the security of northwest China. The Soviet Union built nuclear weapons factories in Kazakhstan. Brezhnev once threatened to use the nuclear weapons there to perform a surgery on the bases in northwest China. It cannot but make people worry that once nuclear proliferation occurs and nuclear weapons fall into the hands of the fundamentalists, China's national security will be threatened.

The disintegration of the Soviet Union has caused a power vacuum in Central Asia, and this is a stimulus for the rejuvenation of Islam. The United States wants to fill the vacuum, so as to offset the influences of Iran and fundamentalism.

Early last year, former U.S. Secretary of State Baker twice visited Central Asia as Iran launched a large-scale diplomatic offensive in Central Asia. He said he hoped that the nations there could establish governments after the Western model; otherwise, the United States would not establish diplomatic relations with them. The United States also carried out penetrations through the pro-U.S. moderate Islamic countries such as Saudi Arabia and Egypt, to resist Iran and restrain the swelling fundamentalism.

The United States Fills Vacuum, Posing Threats to Chinese Frontier Regions

The United States is stepping up efforts to fill the power vacuum in Central Asia, and in so doing, it tries to kill two birds with one stone. First, as mentioned above, to check Iran and fundamentalism; and second, in the areas north and west of China, to strengthen the mechanisms restraining China. In fact, after the disintegration of the Soviet Union, the most powerful ideological enemy left to the United States is China. China has become the main target of the "peaceful evolution" which is being carried out by the United States. It seems that it is not strange to see the United States launching a thorough encirclement against China's border security.

Since 1987 the United States has harbored the intention to intervene in China's southwest frontier and Tibet, and the U.S. Congress has more than once deliberated a "Tibet Human Rights Bill," to support the Dalai Lama's activities for Tibetan independence. The Voice of America has newly launched a Tibetan-language broadcast, and people believe that this is to coordinate with the relevant policy of the United States.

In April 1993 the U.S. and Russian sides conducted the first air exercise in Siberia since World War II. U.S. planes appeared for the first time in the areas north of China, causing concern in China. Yeltsin tried to join the NATO grouping. Will there be a scenario in which the United States and Russia join forces in the areas north of China to jointly deal with China's defense in the north?

What is more important is that Mongolia has shown some signs that it is becoming an arena for competition among the major powers in the international community. Against such a background, will Xinjiang, which is under the influence of the rapid changes in the situation of Central Asia, become another "arena"?

Officials, Media Respond to Leadership Instructions on Qiandao

HK2404054594 Hong Kong *WEN WEI PO* in Chinese
23 Apr 94 p a2

[Report by staff reporter from Beijing: "Jiang Zemin, Li Peng Make Written Instructions on Qiandao Lake Incident"]

[Text] Beijing, 22 Apr (WEN WEI PO)—In accordance with the written instructions of President Jiang Zemin, general secretary of the CPC Central Committee, and of Premier Li Peng on "never concealing the truth of the Qiandao Lake incident," "seriously and swiftly trying the case in public according to the law," and "allowing relatives of the victims in Taiwan and overseas reporters—including those from Hong Kong and Taiwan—to attend the public trial as visitors," an authoritative source here disclosed that the relevant central and Zhejiang departments are stepping up efforts to try and hear the case as quickly as possible.

RENMIN RIBAO and XINHUA already have sent reporting teams to Qiandao Lake to cover the story. In light of the requirement to "seek truth from facts," they will cover the news jointly and will present the truth of the matter to the public at home and abroad.

During an interview given to a reporter, an official in charge of the Association for Relations Across the Taiwan Straits [ARATS] said that ARATS had already send a message to the Straits Exchange Foundation [SEF], giving a detailed account of the Qiandao Lake incident. Throughout the handling of the Qiandao Lake incident, the official said, ARATS has played a role of offering information to the SEF and of passing on the SEF's messages to the relevant mainland departments. ARATS already has proposed the SEF that the two organizations will hold a routine meeting as quickly as possible to discuss the question of protecting the lives and property of compatriots on both sides of the strait. As ARATS is not authorized to handle the question of compensating the victims of the Qiandao Lake incident, he said, Taiwan's travel agency and the victims' relatives should consult with the mainland insurance company and travel agency on the matter.

ARATS Letter to SEF Urges Talks, Views Qiandao Incident

OW2404041294 Beijing XINHUA Domestic Service in Chinese 1250 GMT 23 Apr 94

[Text] Beijing, 23 Apr (XINHUA)—The Association for Relations Across the Taiwan Strait [ARATS] today sent a letter to Taiwan's Strait Exchange Foundation [SEF] to exchange views on the incidents that caused the loss of lives and property of mainland and Taiwan compatriots.

The letter noted: On 12 April, a person in charge of the ARATS said the ARATS agreed in principle that after the ARATS and SEF have made the necessary preparations, both sides can exchange views on the incidents—incidents that caused the loss of lives and property of

mainland and Taiwan compatriots—that had occurred in the course of cross-strait contacts and exchanges over the past two years. The ARATS believes at present that both sides should decide on the topics and contents for their exchange of views through consultations before considering the level of personnel, the time, and the place [for a meeting]. If both sides cannot reach a consensus on the topics and contents, they will not be able to find common ground when they exchange views. That is not the type of negotiations sought by any of our compatriots on either side of the Taiwan Strait.

The ARATS believes that the contents for the exchange of views should include the following: 1) Both sides should exchange views on the issue of cross-strait tourism contacts, including the safety of mainland and Taiwan compatriots when they are traveling. It was as early as the end of August 1993 when the ARATS and the SEF held their first working negotiations on the implementation of the Wang-Gu meeting that the ARATS proposed in the "timetable for negotiations on the implementation of the relevant agreements reached during the Wang-Gu meeting" that both the ARATS and the SEF hold special negotiations on the issue of "improving cross-strait tourism contacts." However, to date, the ARATS still has not received a reply from the SEF. 2) The ARATS has always called for carrying out all the negotiations on routine, economic, scientific, and technological topics stipulated by the "common agreements reached during the Wang-Gu meeting," and it has more than once suggested to the SEF that the negotiation on "the rights and interests of Taiwan businessmen's investments on the mainland and relevant issues" be started as soon as possible. The ARATS believes that the personal safety of Taiwan businessmen who have invested on the mainland as well as the safety of their property is protected by the laws. If the SEF thinks it necessary, both sides may exchange views [on the topic] when they negotiate "the rights and interests of Taiwan businessmen's investments on the mainland and relevant issues." 3) The ARATS has repeatedly demanded that the ARATS and the SEF hold consultations on the issue of the Taiwan military's killing and wounding in recent years mainland fishermen operating in coastal areas and the resulting serious losses of lives and property. After the ARATS was established, it has continued pointing out to the SEF such inhuman acts which hurt the feelings of our compatriots on both sides of the Taiwan Strait and damage the cross-strait harmonious atmosphere, in the hope that Taiwan's relevant departments will attach importance to the issue, compensate [victims for their] losses, find out who is responsible, and sternly punish the killers. Meanwhile, it has called for putting an end once and for all to such violence through ARATS-SEF consultations. However, to date, the ARATS still has not received a reply from the SEF.

The letter clearly and definitely pointed out that the delays and failure to begin negotiations on the aforementioned rights and interests of mainland and Taiwan

compatriots in their contacts and exchanges, including the issue of their personal safety, are not the responsibility of our side.

The letter noted: The present ARATS-SEF contacts and the methods of their cooperation should be conducted strictly in accordance with the "ARATS-SEF agreement on the system for their contact and talks" signed last year. After the "Qiandao Lake incident" took place, the ARATS briefed the SEF on the situation, gave answers to several questions raised by the latter, and responded to its several requests in accordance with the agreement. However, the SEF repeatedly made requests that exceeded the scope of the ARATS-SEF agreement mentioned above. Although the ARATS pointed this out, the SEF still insisted on its requests. This is a practice that does not respect the ARATS-SEF agreement. It is our sincerest hope that ARATS-SEF contacts and cooperation can be carried out in accordance with the existing agreement.

The letter pointed out: As far as the "Qiandao Lake incident" is concerned, the pressing matter of the moment is to investigate and deal with the case according to the law. Meanwhile, to show further goodwill, the ARATS took the initiative in inviting the SEF and relevant experts to visit Zhejiang and to make arrangements for the experts to give a briefing on the specific state of the case and to answer questions. If the SEF was willing to understand the details of the case and truly showed understanding and sympathy for the feelings of the victims' families, why did it set preconditions? This is hard for people to understand. The ARATS reiterates its invitation mentioned above and hopes that the SEF soon will propose its name list and itinerary. It has been learned from the relevant department that three suspects were arrested and that they will soon stand trial in accordance with judicial procedures.

Premier Views Qiandao Lake Boat Incident

OW2404075194 *Taipei China Broadcasting Corporation News Network in Mandarin 2300 GMT 22 Apr 94*

[From the "Hookup" program]

[Text] Premier Lien Chan expressed his opinions on the Chientao Hu [Qiandao Hu] incident at the Legislative Yuan on 22 April. He said: Introspection is a motivating force for social progress. In handling the Chientao Hu case, the government was not overly emotional and did not try to turn it into a political event. What the government wanted was to find out the truth and make the truth public.

Huang Kun-hui, chairman of the Mainland Affairs Council, said: Communist China can reduce the damage done to cross-strait relations only by conducting a thoroughgoing investigation of the Chientao Hu tragedy.

Lien Chan said: The government believes that there is nothing more important than human life and that we should not conduct investigations into the Chientao Hu case in a perfunctory way. A modern country should handle things in a modern way. Therefore, after the Chientao Hu tragedy occurred, the government issued a forceful statement urging Communist China to conduct a thoroughgoing investigation. During this period, outsiders expressed their general opinions as well as specific positions on this case. However, the government still maintains a careful, positive, and conscientious—not simply accusatory—attitude toward the incident.

He said that, right from the very beginning, the government has maintained an extremely correct attitude. In response to the questions raised by people entertaining particular stands, he said: We cannot be ambiguous about this incident or shift our focus somewhere else. Shifting focus is a very serious matter which will affect the future of the country.

Huang Kun-hui said: What we needed was to get the truth out. But Communist China tried to cover up the incident by embargoing news reports and fabricating information. They did not treat the victims' families in a reasonable way. All of these actions, of course, led to dissatisfaction on our part. As for the 1990 tragedy in which illegal mainland immigrants died of suffocation on a boat while being repatriated, direct responsibility did not lie with our side. However, we did conduct an investigation and we told the mainland of the occurrence of the incident on our own initiative. In addition, we did pay a reasonable amount of compensation. In order to prevent such an accident occurring again, we later signed a repatriation agreement with the Mainland on Chinmen Island.

Meanwhile, Ku Chen-fu, chairman of the SEF, said on 22 April: If Communist China makes public the Chientao Hu tragedy as soon as possible without any cover-up, gives reasonable compensation to the victims' families, and provides reasonable explanations for the

people of the whole country, then the communications between the two sides can be reopened. Ku Chen-fu said that it is necessary for all of us to judge whether or not the information revealed by Communist China is correct. Ku Chen-fu also urged Communist China not to [word indistinct] or procrastinate.

SEF Requests More ARATS Information

OW2404045394 *Taipei China Broadcasting Corporation News Network in Mandarin 2300 GMT 22 Apr 94*

[From the "Hookup" program]

[Text] The Association for Relations Across the Taiwan Strait [ARATS] in a letter formally informed the Strait Exchange Foundation [SEF] on 22 April about the details of the Chientao [Qiandao] Lake tragedy. The SEF and the Mainland Affairs Council [MAC] held an urgent meeting to discuss the letter. They decided that the investigation results provided by Communist China were not acceptable because they failed to provide reasonable answers to some doubts raised by the victims' families and our relevant departments.

The MAC authorized the SEF to reply in a letter today to express the hope that the mainland authorities will send us all information, including records of the investigation, and to once again express a strong demand that a special meeting between the SEF and the ARATS be held in Hong Kong on 27 April as scheduled.

The MAC also said: If Communist China does not provide a reasonable explanation, the MAC will when necessary release the report compiled by our investigating group and compare it with the one compiled by Communist China. Here is Liu Yu-mei's report:

[Begin recording] After newspapers in Hong Kong carried detailed stories about the Chientao Lake incident, the ARATS informed the SEF in a written message on 22 April and provided a relatively concrete report. In the letter, the SEF said: Wu Li-hong [Wu Lihong], Hu Chih-han [Hu Zhihan], and Yu Ai-chun [Yu Aijun] plotted as early as last year to rob tourists on Chientao Lake by using a motorboat. On 31 March, they climbed aboard the Haijui [Hairui] tourist boat and committed the crimes of robbery, murder, and arson which caused 32 deaths.

The letter pointed out: After a 17-day investigation, the case was brought to light. The police retrieved \$5,250, 154,000 new Taiwan dollars, a video camera, six cameras, eight rings, one jade bracelet, and two Rolex watches.

The SEF was not satisfied with the report. SEF Deputy Secretary General Shih Chi-ping said that the information revealed by the ARATS was only partial in nature. He expressed his hope that the mainland will provide more detailed facts and that it will promptly answer in clear terms whether the two parties will hold special cross-strait consultations on this case.

[Shih] It is our hope that the ARATS will provide us with more detailed information so that we can have a better understanding of this case. We also hope that they will give us a clear answer as soon as possible concerning the request stated in our previous letter.

[Liu] Shih Chi-ping said that the MAC and the SEF will respond to the ARATS' letter in the near future. This is Liu Yu-mei reporting from the SEF. [end recording]

SEF Delegation To Visit Zhejiang

OW2504081894 Taipei CNA in English 0758 GMT 25 Apr 94

[By Lilian Wu]

[Text] Taipei, April 25 (CNA)—Taiwan will soon send a delegation to the capital of Zhejiang Province to learn more about Mainland China's investigation into the March 31 Qiandao Lake incident, in which 24 Taiwan tourists were murdered and robbed, Li Ching-ping, deputy director-general of the Straits Exchange Foundation (SEF) said Monday [25 February].

Li said that the delegation, to leave sometime this week, will be comprised of SEF officials, retired police detectives, and relatives of the victims. SEF is Taiwan's non-official conduit for mainland-Taiwan relations.

This will be the first time Taiwan has sent a group to learn more about a criminal case on the mainland since the opening of cross-strait civilian exchanges, sources said.

Beijing announced on April 17 that it arrested three men suspected of committing the "heinous murder, robbery and arson."

Although Beijing has closed the probe of the case, it is still unable to answer some questions posed by the victims' relatives.

Li called on Beijing to release autopsy reports made after the incident and said the Taiwan delegation will give the mainland time to prepare such reports if it has not done so already.

Li added that a time and venue have not been picked for a proposed special meeting between SEF and its mainland counterpart the Association for Relations Across the Taiwan Strait (ARATS) to discuss travel safety in the wake of the boat incident.

Li said that SEF has asked ARATS to suggest a suitable time and venue for the meeting.

SEF proposed to hold the meeting April 27-28 in either Hong Kong or Taipei.

Taiwan Lawmaker Accuses PLA of Involvement
OW2304044094 Taipei Voice of Free China in English 0200 GMT 22 Apr 94

[From the "News" program]

[Text] About eight to 10 renegade soldiers of the People's Liberation Army [PLA] were involved in the mass murder of 24 Taiwan tourists last month and the three mainland civilians arrested were just scapegoats, lawmakers quoted Taiwan's top intelligence officials as saying. Lawmaker Chen Shui-pien quoted National Security Bureau Director (Yin Chung-wen) as saying that their intelligence sources in the Mainland showed that PLA soldiers were behind the Chientao [Qiandao] lake murder.

From the beginning of the incident, the National Security Bureau sources indicated that it was a premeditated robbery and murder case, not an accident as earlier claimed by Chechiang [Zhejiang] authorities, the lawmaker said. Mainland authorities on Sunday [17 April] announced the arrest of three civilian suspects, all natives of Chechiang, on charges of murder, robbery, and arson but they gave few details about them or the evidence against the suspects. In Peking [Beijing] on Wednesday [20 April], an Mainland Foreign Ministry spokesman categorically denied Taiwan's allegation of army involvement in this pleasure boat arson.

Taipei Dispatches Patrol Boats to Spratly Islands
OW2504101094 Tokyo KYODO in English 0945 GMT 25 Apr 94

[Text] Hong Kong, April 25 KYODO—Taiwan has dispatched a pair of police patrol boats to the Spratly Islands in the South China Sea to protect Taiwanese fishing vessels and reassert its claim over the disputed islands, Taiwan's UNITED DAILY NEWS [LIEN HO PAO] reported Monday [25 April].

According to the influential daily, the vessels with 30 police officers with machine guns departed Taiwan on April 16 and landed on the Taiping Island, the group's largest island, where the Taiwanese contingent is stationed.

The islands are claimed by six different nations, including China which concluded an oil exploration and development contract with a U.S. oil corporation in 1992.

Taiwan police said the dispatch aimed at of checking the safety of a route to the island in the wake of seizure of Taiwanese vessels by the Philippines and Vietnam, according to the daily.

The fishing vessels have also reported several incidents of being pursued by pirates, the police said.

In addition to Taiwan, China, Vietnam, and the Philippines, Malaysia and Brunei also claim sovereignty over the Spratly Islands.

Prosecutor Indicts More Officers in Taiwan Arms Scandal

OW2204161894 Taipei CNA in English 1432 GMT 22 Apr 94

[By Benjamin Yeh]

[Text] Taipei, April 22 (CNA)—A Taipei prosecutor on Friday [22 April] indicted seven retired middle-ranking military officers for either illegally obtaining or leaking top military secrets to arms dealers, as the worst military scandal in Taiwan's history continued to unravel.

The move brought to 11 the number of people charged for their complicity in the military scandal in which two officers each were indicted in February and April. Three other officers and four civilians also have been arrested for their roles in the scandal, which started to unfold after the mysterious death of Naval Capt. Yin Ching-feng in December.

Investigators say Yin was killed because he threatened to expose a pattern of bribery in which arms dealers and retired military officers representing European companies paid active-duty officers for help in winning weapons contracts.

The investigators have been helped in tracking down other arms dealers and officers involved in the scandal by information gleaned from classified Navy documents they uncovered during a Christmas Eve raid on the home of Chang Chia-cheng, an arms dealer and former Army colonel who has also been indicted.

The classified information, covering the six French-built Lafayette frigates and the two Swordfish submarines the Netherlands has constructed for Taiwan, was allegedly leaked by active-duty officers. The two projects are part of the Navy's military buildup.

In addition to Chang, who allegedly bribed officers to obtain the secrets, Liang Kang-hsien, who was suspected of leaking military secrets before he retired as an Air Force major, and Liu Shu, a retired Navy captain, have also been indicted. The three could be sentenced to death if found guilty.

Four other people indicted by the prosecutor include Tien Ching-wen and three arms dealers—Wu Yu-cheng, Li Hung-wei, and Wu Pao-tai. They face a punishment of up to seven years in jail if found guilty.

More on Military Scandal

OW2304140794 Taipei CNA in English 1306 GMT 23 Apr 94

[By Benjamin Yeh]

[Text] Taipei, April 23 (CNA)—Five navy admirals have denied being members of mysterious, decades-old secret society, according to the task force formed to investigate the murder of Navy Capt. Yin Ching-feng and the arms-purchasing scandal surrounding his death.

Military authorities discovered the activity of the underground society in the probe into the death of Yin, which began last December. Some suspected members of the organization are believed to have been deeply involved in the scandal, but the five unnamed admirals have not been charged with any crime.

Vice Admiral Shih Tzuo-ning, the convenor of the ad-hoc investigative group, told the Legislative Yuan Saturday [23 April] morning that the military prosecutor had interviewed 41 Navy sailors and officers who are suspected of being members of the "Ching Pang," or "Blue Gang," and 16 had admitted to the links.

The Blue Gang reportedly had its start in the early Ching Dynasty, which ran from 1644 to 1911, and while little is known about the group's activities, it did play a prominent role in the establishment of central government powers over the warlords in the 1920's and 30's.

Investigators said Yin was killed because he threatened to expose a pattern of bribery in which arms dealers and retired military officers representing European companies paid active-duty officers for help in winning weapons contracts.

Shih stressed he remains confident that the case will be cracked even though there is a lack of substantial evidence.

KMT Passes Constitutional Reform Proposals

OW2504091494 Taipei CNA in English 0812 GMT 25 Apr 94

[By Sofia Wu]

[Text] Taipei, April 25 (CNA)—Taiwan's ruling Kuomintang [KMT] approved a package of ground-breaking constitution reform proposals Sunday [24 April], paving the way for some key changes in Taiwan politics.

One of the major reforms was a measure which allows direct presidential and vice presidential elections in 1996. Previously, Taiwan voters elected National Assembly members, who in turn voted for the president.

The package was approved by an overwhelming majority during a special plenary session of the KMT's 214-member central committee.

The central committee passed all proposals drafted by the party's constitutional reform research task force except one that would have restricted parliamentary speech by subjecting legislators to libel laws.

The central committee also added another provision to the reform proposals: that Republic of China [ROC] passport holders living abroad would have the right to vote in future direct elections for the president and vice president. The provision, which was not in the party's original reform proposals, was proposed by former Premier Li Huan during the session and put to a vote.

Li's proposal garnered 108 votes, one vote more than the minimum required for it to be incorporated into the party's final amendment proposals.

The KMT reform package will be further discussed by the National Assembly when it begins a three-month constitutional reform session later this week.

The approved package also extends the terms of legislators from three to four years, allows the president to appoint and dismiss senior government officials

without the approval of the premier, and creates the post of speaker and vice speaker in the National Assembly.

Hong Kong

Trade Director Renews Call for Unconditional MFN

HK2304064794 Hong Kong *SOUTH CHINA MORNING POST (BUSINESS POST)* in English 23 Apr 94 p 2

[Text] Suggestions that conditions be placed on MFN (most favoured nation) trading status for China have been dismissed as impractical by Director-General of Trade Tony Miller.

Mr Miller, responding to questions at the launch of the Trade Department's Customer Liaison Group yesterday, renewed his call to the United States Government for unconditional renewal. He said: "I do not think customs officers in America would be able to distinguish goods that were made at a state-owned factory or other factories. Partial renewal of MFN is not practical. I do not think it will help Hong Kong, it will create uncertainty and would be just as damaging as withdrawing MFN." His comments came on the eve of Chief Secretary Anson Chan Fang On-sang's visit to the U.S. to lobby for MFN.

Earlier, Mr Miller launched the 30-member liaison group, which aims to improve communications between traders and officials. He said: "A new feature of this year's performance pledge is the enhancement of customer input. The setting up of the Customer Liaison Group aims to provide for a direct and ongoing dialogue between the department and our officials. Our customers' concerns are our concerns. The department will take the group's suggestions and feedback seriously."

Governor Urges No Tampering With PRC Trade Status

HK2304075194 Hong Kong *HONGKONG STANDARD* in English 23 Apr 94 pp 1,3

[By Shiny Li]

[Text] Governor Chris Patten has issued his sternest warning yet to the United States not to tamper with China's trading privileges as a lever to bolster human rights. Repeating the ramifications for Hong Kong of a Sino-U.S. trade war, Mr Patten said the withdrawal of China's most-favoured-nation (MFN) status could undermine the effective implementation of the Joint Declaration. The Sino-British Joint Declaration sets out the conditions under which Hong Kong will revert to Chinese rule in 1997. Mr Patten warned that if China's U.S. trading privileges were withdrawn, the crippling effects for Hong Kong would undermine the "one country, two systems" concept under which the territory would operate after the transfer of sovereignty.

It was the first time that Mr Patten had linked economics to politics, having strenuously urged China not to do so during the current Sino-British stalemate. "It's (the implementation of the Joint Declaration) which will be the principal task for Britain and China in Hong Kong

until 1997 and afterwards," Mr Patten said. "(The withdrawal of China's MFN status) would be a body blow to confidence in Hong Kong at a crucial time. It would put at risk all that we are trying to do to secure Hong Kong's future," Mr Patten told the American Chamber of Commerce, adding that the territory's economic growth would be cut by more than half and unemployment trebled.

U.S. President Bill Clinton has stated that the renewal of China's preferential trade status hinged on whether it could demonstrate a marked improvement in its human rights record. U.S. Secretary of State Warren Christopher warned yesterday that China still had time to make sufficient progress on human rights by early June to justify maintaining its MFN status.

The Governor yesterday dispatched his deputy, Chief Secretary Anson Chan, to the U.S. to lobby the Clinton administration to renew China's trading privileges. Mr Patten himself spearheaded the campaign in Washington last year. His strongly-worded warning yesterday, on the eve of Mrs Chan's visit, appeared to mark the start of Hong Kong's annual lobbying campaign to preserve China's trading privileges. A high-powered Hong Kong Chinese business delegation has been in Washington this week to press for MFN renewal, and the American Chamber of Commerce—the biggest outside the United States—plans to do likewise in the coming weeks.

Mr Patten insisted that Hong Kong people were concerned about human rights and the conduct of China in jailing MING PAO reporter Xi Yang for allegedly stealing state secrets. But curtailing trading privileges was not the answer, he said. "It's possible to have a serious dialogue, for example, as Australia is doing with China, without mixing up trade and politics," Mr Patten said.

U.S. investment in Hong Kong was worth more than \$1.2 billion, Mr Patten said. Arguing that free trade leads to greater human rights—and noting that Libya and Iran had MFN status—he said that it would be China's masses who would be paying the price of a Sino-U.S. trade war. "The people who are performing the Chinese economic miracle are above all the ordinary people, the entrepreneurs, the small businesses, the investors," Mr Patten said.

PRC Dissident Urges 'Radical' Party in Run-up to 1997

HK2304070694 Hong Kong *SOUTH CHINA MORNING POST* in English 23 Apr 94 p 2

[By So Lai-fun]

[Text] A "radical democratic party" is needed in Hong Kong as 1997 approaches because the dominant liberal bloc is likely to soften its stance towards China, says prominent dissident Lau Shan-ching. Mr Lau envisaged that the radical democratic party, which would confront the future sovereign power, would become an anti-government force after the changeover. The dissident,

who was jailed for 10 years in China for "counter-revolutionary activities", said the radical faction believed China was a totalitarian state. Mr Lau did not say who might join the party, but that he would devote himself to setting it up.

He said the newly-announced Democratic Party would be nothing but a bloc put together for election purposes and its weakness would gradually be exposed as 1997 approached. The party would not be able to endure political pressure from Beijing and would backtrack on its opposition to China. Mr Lau cited as evidence the case of Law Cheung-kwok, former vice-chairman of the Association for Democracy and People's Livelihood. He had been widely attacked by the liberals for supporting the dismantling of the three-tier election structure in 1997 in the recent Chinese People's Political Consultative Conference after being appointed as a local delegate. "They are very naive if they think that their relationship with China can be mended because of the new composition of the party or the middleman role played by (Meeting Point chairman Anthony) Cheung Bing-leung."

The emergence of a radical party was a natural development in the worsening political climate, and Mr Lau believed people would accept this line. Mr Lau said United Democrats and Meeting Point had never played a leadership role in Hong Kong's democratic movement. "They are only eyeing their own political interests. They are not genuine democrats," he said. "If they are so, why don't they seek full democracy by 1995?"

Chief Secretary Departs for MFN Talks
HK2304075394 Hong Kong HONGKONG STANDARD
in English 23 Apr 94 p 4

[By Ming Man]

[Text] Chief Secretary Anson Chan left for the United States last night on a week-long visit to lobby for the renewal of China's most-favoured-nation (MFN) status. Mrs Chan, on her first official visit to the U.S. since becoming Chief Secretary, said again that if trade sanctions were slapped on China, Hong Kong would be the loser. "We have done some assessment of the harm to our economy that this might do and our assessments indicate that if MFN was withdrawn then our economic growth will be halved and our unemployment rate will be trebled," she said.

The United States has already indicated that it could impose limited trade sanctions on China unless its record on human rights improves by June. During her visit, Mrs Chan is scheduled to meet senior U.S. officials including Acting Secretary of State Strobe Talbott and Treasury Secretary Lloyd Bentsen. She is also seeking a meeting with U.S. Vice-President Al Gore.

Mrs Chan dismissed claims that by fighting for China's renewed MFN status, Hong Kong was disregarding human rights. "There are probably no people anywhere on this earth who are more concerned with human rights

than people in Hong Kong, particularly with the reversion of sovereignty of power to China in about three years' time," she said. Mrs Chan repeated the Hong Kong government's view that improving China's economy would help improve the human rights cause. "We see for ourselves, for example in Guangdong, that because they enjoy economic growth they now have more choices. They are far freer, I would say, than people elsewhere in the interior of China. Obviously that's the way to go." Mrs Chan said an alternative way to achieve an improvement in China's human rights record was to keep discussing and pushing the human rights question while maintaining trade relations.

Deputies, Advisers Invited To PLA Camp

HK2504091394 Hong Kong TA KUNG PAO in Chinese
22 Apr 94 p 11

[Unattributed report: "Hong Kong Deputies to NPC, Members of CPPCC National Committee, Hong Kong Affairs Advisers, and Members of Preparatory Working Committee Invited To Visit PLA Training Camp in Guangdong"]

[Text] The Chinese Government will arrange the visit of nearly 200 Hong Kong deputies to the National People's Congress [NPC], members of the Chinese People's Political Consultative Conference [CPPCC] National Committee, Hong Kong affairs advisers, and members of the Preparatory Working Committee to Guangzhou in order to inspect the training and study in People's Liberation Army [PLA] units. Those being invited to visit the barracks said that this would enable Hong Kong people to increase their understanding of the PLA.

Some members of the Preparatory Working Committee last year expressed their hope to inspecting the training of the PLA troops. Yesterday, the Hong Kong NPC deputies, CPPCC National Committee members, Hong Kong affairs advisers, and Preparatory Working Committee members were notified by the XINHUA Hong Kong Branch that a visit would be arranged to the PLA troops' military training in Guangzhou on 30 April. According to the arrangement, the visiting delegation will travel to Guangzhou by train on the morning of 30 April. They will inspect the training of the PLA troops that afternoon and will see dancing and singing performances put on by the PLA units. Next day, they will see the military performances and will then return to Hong Kong in the afternoon. The delegation will be received by the Guangzhou Military Region. This is aimed at enabling the visitors to better understand the training, living, and study conditions of the PLA troops.

Some people being invited on this visit said that it would be a good opportunity to come into direct contact with the PLA personnel and this will be a good beginning for Hong Kong people to have a better understanding of the PLA so that they can dispel their misgivings.

Cheng Yiu-tong, a deputy to the NPC, said that Hong Kong people did not know much about the PLA troops. This time, the visit arranged by the Chinese Government

will increase the transparency of things and the authorities are also showing an open-minded attitude. This will help Hong Kong people to better understand about the lives of the troops, remove their misgivings about the troops to be stationed in Hong Kong after 1997, and gradually establish their trust in the troops.

Liu Yiu-chu, another deputy to the NPC, said that between now and 1997, it is necessary to cause Hong Kong people and the PLA personnel to have closer contacts and exchange opinions so that the military personnel will better understand the mentality and values of Hong Kong people as well as the legal system and procedures in Hong Kong. This will ensure that the troops will properly abide by the local laws after they are sent to Hong Kong.

Some members of the Preparatory Working Committee believe that Xu Huizi, deputy general chief of staff of the PLA, may also participate in this activity. Xu once indicated that, after 1997, the troops stationed in Hong Kong will be dispatched from the Guangzhou Military Region. At present, the PLA troops are receiving training in Guangzhou. They also study English, Hong Kong laws, and the lifestyle in Hong Kong.

PRC Tries To Limit Taiwan Air Transit Routes
HK2504074594 Hong Kong *EASTERN EXPRESS* in English 25 Apr 94 p 1

[By Rain Ren]

[Text] China has put Taiwan's air links with the rest of the world in question by trying to limit transit routes through Hong Kong. This emerged during Sino-British talks on Hong Kong's aviation agreements.

Taiwan's post-1997 aviation links with Hong Kong have been at stake in the course of the Sino-British Joint Liaison Group (JLG) talks on renewing Hong Kong's aviation agreements with individual countries. Talks on air service agreements (ASAs) have made little progress at the JLG because of Britain's refusal to disclose details of agreements with foreign airlines which fly from Hong Kong to Taiwan.

Before 1984, all 24 ASAs in Hong Kong were an extension of Britain's agreements with other countries. The main purpose of the JLG negotiations is to take Hong Kong's aviation routes out of the original UK agreements, officially known as a "separation programme." This programme does not cover air services of Hong Kong airlines running flights to Taiwan, which is a separate issue. Direct flights from Hong Kong to Taiwan are handled by Cathay Pacific and China Airlines under commercial arrangements. The Hong Kong Government promised the Taiwan Government that the continuation of these services would be discussed by the JLG before the end of this year. At the moment, most foreign airlines' ASAs with Hong Kong contain the right to run flights between Hong Kong and Taiwan.

This is a point of contention with China.

It is reliably understood that China has refused to approve seven ASAs unless the following conditions are met:

- The Government must disclose details of agreements which allow foreign airlines to fly between Hong Kong and Taiwan.
- China wants to know what privileges have been demanded and gained by Britain from the governments where the airlines originate in exchange for the right to fly between Hong Kong and Taiwan.
- Countries currently enjoying the right of transit to Taiwan will have to renegotiate directly with the Chinese Government to continue this practice after 1997.

All Beijing's demands have been rejected by Britain on the grounds that the Joint Declaration guarantees that only Hong Kong's Special Administrative Region (SAR) Government, not China, has the right to conclude ASAs with third countries, excluding aviation routes through mainland China.

The Hong Kong government has told China that Hong Kong will suffer economically if foreign airlines lose their right to fly between Taiwan and Hong Kong. These foreign airlines, the government fears, will then demand a unilateral increase in flights to Hong Kong to compensate for the loss of flights to Taiwan. The seven ASAs China is now delaying cover airlines in Germany, Italy, Singapore, Korea, Burma, Thailand, and Indonesia.

It is understood that China overlooked the Taiwan factor until 1990 when Taiwan's China Airlines started using Amsterdam as its aviation base in Europe. Government representatives are now in Europe for more talks about separating Hong Kong's ASAs from those of Britain's.

Out of 24 ASAs, those signed with Kuwait, Lebanon, Portugal, and Kenya have not been in operation for a long time. The government has decided to put them aside temporarily.

Economic Report Predicts Problems Ahead
HK2504073294 Hong Kong *SOUTH CHINA MORNING POST (BUSINESS POST)* in English 25 Apr 94 p 1

[Report by Ray Heath]

[Text] Profits of Hong Kong companies are under threat with an expected squeeze in the second half of this year, thanks partly to rising interest rates, and the effect of soaring property prices. The immediate outlook for the business environment also is poor, according to the latest report on the territory issued by the Political and Economic Risk Consultancy (PERC), although the consultancy added that it was not yet time to start sounding alarm bells.

The PERC's assessment of increased risk factor in the territory is the result of the surge in property prices and rents, which have both companies and households complaining.

The territory also faces the consequences of the precarious state of China's economy and the negative implications this has for Hong Kong trade and investment with the mainland, says the consultancy.

Adding to the overall uncertainty which is raising the risk factor of Hong Kong are concerns over strategies on the mainland. The PERC says a possible problem is the pressure for a slowing of the economy in Guangdong and a crackdown on its free-wheeling ways. "Implementation of the currency, tax, and banking reform measures announced late last year is going very badly from Beijing's perspective, due to stiff provincial resistance with Guangdong leading the way," the PERC say. It said Beijing could look like an emperor with no clothes if the efforts to pull power back to the political centre are frustrated by the provinces.

This means two distinct risks for the territory this year. One is a "slipping of economic gears" which could cause market players to adopt a much less aggressive posture on investment. The second is problems resulting from a crackdown on Guangdong by Beijing authorities.

"Either way the territory's trade and investment in the mainland would be seriously disrupted, as would the activities of the mainland companies in Hong Kong," the PERC says. "This would detract from Hong Kong's international reputation, at least in the short term."

Hong Kong's domestic economic risks have risen sharply this year with soaring property prices pushing costs levels up sharply. "Profit margins are starting to be eroded as much of the cream from the economic boom of the past two years is being siphoned off into the pockets of the landlords," concludes the PERC. It says that costs are threatening the territory's viability as a base for some businesses.

Investor confidence is also being hit by the rise in interest rates, which could dampen the prospects for growth in banking, fund management and broking, which have been among the most buoyant industries in Hong Kong, the consultancy says.

It expects interest rates in Hong Kong to rise by a further half to one percentage point this year, depending on United States policies. The rise by itself will not be enough to lead to a consolidation in property or to end the territory's economic boom, it says, but taken with other bad news emerging, its effects could be felt. "The cumulative effect could lead to a much more profound change in Hong Kong's business mood than the relatively modest interest rate rise would suggest," the report says.

Although the PERC forecasts an unchanged gross domestic growth rate of 5.5 percent this year and next, it

argues that the official statistics do not reflect the real position of trade as much of the real economy is in China and not captured by official statistics. "Just as the Government's figures understated the extent to which Hong Kong has been benefitting from China's boom, the same numbers will also down-play the negative impact of a hard landing for China's economy—an event that is looking increasingly possible," the report warns.

XINHUA Hong Kong Official Views Housing Problem

OW2404113094 *Beijing China Radio International in Mandarin to Asia 0900 GMT 23 Apr 94*

[Report by station reporter Zhang Xiuzhen based in Hong Kong; from the "News" program]

[Text] Zheng Guoxiong, deputy director of the XINHUA Hong Kong Branch, said on 22 April: The Hong Kong Government ought to undertake the responsibility to solve the current housing problem in Hong Kong.

He made the above remark when commenting on the Sino-British Committee's land approval plan for this year at the inauguration of a new term of officials of the (Shunde) Association.

He said: The drastic increase in Hong Kong's housing prices is not the problem of land supply alone. China has basically consented to this year's land approval plan, which includes a marked increase in the portion of land for commercial and residential use.

He said: The increased land supply is only the first step. The Hong Kong Government should work out specific overall arrangements for properly using land approved for use in the future.

He added: In fact, many lots to be used for building residential and public housing do not require examination and approval by the Sino-British Land Committee. It is the responsibility of the British Hong Kong Government to solve the housing problem in Hong Kong.

UK Politicians Attack Governor's Conduct

HK2404070394 *Hong Kong SOUTH CHINA MORNING POST in English 24 Apr 94 p 2*

[Report by David Healy in London]

[Text] Two senior opposition Labour Members of Parliament have launched outspoken attacks on Governor Chris Patten, in the most serious sign yet that the all-party consensus in support of his policies is starting to crumble. In an extraordinary anti-Patten outburst in the House of Commons, Labour MP Andrew Faulds challenged House of Commons leader Tony Newton to arrange a debate on Hong Kong. Mr Faulds said it was needed to "comment on the misguided and damaging conduct of the Governor of Hong Kong, and to examine the latest report on China from the Foreign Affairs

Committee which is full of lunacies and produced by a committee of ignoramuses". But Mr Newton rejected the request.

Then, during a recent visit to Beijing as part of a British trade delegation, Manchester MP Ken Eastham told Chinese officials: "Mr Patten, who was rejected by voters in Bath and imposed on Hong Kong by the (British) Government, is a fine one to talk about democracy. "Why was there no talk about democracy during the past decade when Britain was in charge?" The trip was organised by Chinese Consul-General in Manchester Xiao Houde as part of a concerted campaign to undermine support for Mr Patten among members of the Labour Party.

Both parliamentarians have been privately disowned by their party leaders but other Labour MPs say they only reflected what many of their colleagues privately believe.

Meanwhile, Mr Patten is finally cutting his links with the city of Bath, which he represented for 13 years until losing his seat in the 1992 general election. He has put his four-bedroom home up for sale with an estate agent for 135,000 (HK\$1.53 million).

UK Charges PRC With Breaching Sino-UK Accord

HK2404065994 Hong Kong *SOUTH CHINA DAILY MORNING POST* in English 24 Apr 94 p 18

["Inside Politics" column, by Danny Gittings: "Britain Finally Returning China's Shots on Accord"]

[Text] After years of China repeatedly accusing Britain of breaking the Joint Declaration, London is beginning to respond with charges of its own. Governor Chris Patten last week came closer than ever to hinting that China was potentially in breach of the Sino-British accord, although he stopped short of saying so directly. But in contrast to Mr Patten, the recent report from the House of Commons Foreign Affairs Committee pulls no punches. "We conclude that Articles 18 and 158 of the Basic Law are grave potential threats to the autonomy of the Hong Kong SAR [special administrative region] after 1997 and to the implementation of the Joint Declaration," it says.

Both clauses drew fire during the drafting of the Basic Law. Article 18 effectively gives Beijing, through the rubber-stamp Standing Committee of the National People's Congress, the power to do what it wants in Hong Kong after 1997 by declaring a "state of emergency". Article 158 undermines the Joint Declaration's promise that the proposed Court of Final Appeal will have the power "of final adjudication", by giving the Standing Committee of the National People's Congress the right to interpret the Basic Law, and even issue rulings that the [sentence incomplete as published]

Despite quiet lobbying during the drafting process, Britain failed to have both provisions scrapped, and subsequently tried to paper over the shortcomings of the

Basic Law. "The Government of the United Kingdom had satisfied itself that the Basic Law was, on the whole, consistent with the basic principles enshrined in the Joint Declaration," a British spokesman told a United Nations Human Rights Commission hearing in 1991. The most the Foreign Office would admit was that there were a few articles in the Basic Law it "would have preferred to see drafted differently".

But that was before Mr Patten's arrival, when a U-turn in British policy towards political reform in the territory prompted a torrent of accusations from Beijing that London was breaching the Joint Declaration. Now there are signs Britain is prepared to respond in kind. Whitehall officials claimed in evidence to the Foreign Affairs Committee that any significant foot-dragging by Beijing in the Joint Liaison Group amounted to a failure to "fulfil the terms of the (Joint) Declaration". Foreign Office Deputy Legal Adviser Kevin Chamberlain went one step further suggesting China's record of abiding by international agreements was "very mixed"—although he later retracted the remark in a clear attempt to avoid angering Beijing.

Mr Patten also chose his words with care, when answering questions on the issue in the Legislative Council last week. But he did concede what no governor had made so plain before: that Articles 18 and 158 were potentially in breach of the Sino-British accord. "If Articles 18 or 158 of the Basic Law were used to undermine the autonomy of the Hong Kong Special Administrative Region, that would be in contravention of the Joint Declaration," he said. Resorting to diplomatic doublespeak, Mr Patten then insisted there was no danger of that, adding somewhat tenuously that since Beijing had promised to stick to the terms of the Sino-British accord, the offending articles would never be used in the wrong way. But, even accepting such a circular argument, the Governor's remarks were the first clear statement that China had put in place powers which could be used to break the Joint Declaration.

Now that Britain has overcome this psychological hurdle, perhaps it is time to study China's record on other Hong Kong-related accords. The Memorandum of Understanding over the new airport is a case in point. In 1992, then Secretary for Economic Services Anson Chan Fang On-sang warned Beijing that it had only 30 days to respond to Britain's airport funding proposals under the terms of that accord. Beijing told her to shut up, claiming, implausibly, that the month-long consultation timetable, unequivocally laid down in the memorandum, applied to specific airport contracts only, rather than the overall funding package. Two years on, despite the lack of agreement on the airport, no one has dared repeat that charge. But, in the light of Britain's latest shift of policy, now may be the right time. Mrs Chan, now Chief Secretary, will be in Washington this week. It will be interesting to hear her response to any questions on China's record of abiding by international agreements about Hong Kong.

Hong Kong's Land Sales Revenue To Increase
*OW2304160694 Beijing XINHUA in English 1503
GMT 23 Apr 94*

[Text] Hong Kong, April 23 (XINHUA)—The total revenue from land sales this year was estimated to be 18.385 billion H.K. [Hong Kong] dollars (2.357 billion U.S. dollars), a government official announced today.

This compared to the actual revenue from last year's land sales of 17.964 billion H.K. dollars (2.303 billion U.S. dollars), principal government land agent Jim Hughes said in a news release.

He said that the government's land sales program for 1994/95 would consist of 28.21 hectares of land involving 40 sites which are expected to produce between 8,000 and 10,000 flats.

The official announcement was made following the agreement made by the Sino-British Land Commission earlier this week that the land disposal program for the 1994/95 financial year should amount to 117.27 hectares.

Post-1997 Fears Lead Noted Academic Into Exile
*HK2304080494 Hong Kong HONGKONG STANDARD
in English 23 Apr 94 p 3*

[By Glen Perkinson]

[Text] The academic, writer and political commentator Tsim Tak-lung says disenchantment with Hong Kong's future under Chinese rule is the main reason behind his departure for North America. Although Mr Tsim, 47, had pledged to leave the territory as soon as the Daya Bay nuclear plant was completed, he said political uncertainties now topped his list of fears.

The controversial director of the Chinese University Press said he had no confidence in China's promise to run Hong Kong on a one-country-two-systems basis. These fears were compounded by the location of a Chinese-operated nuclear reactor on his doorstep. Mr Tsim declared when the plant was planned that he would not stomach its presence and that he would quit Hong Kong when the station became fully operational.

He revealed he will be writing and doing consultancy work in New York—a city he has always wanted to live in. Having lived in Britain for some time he was now "excited" about relocating to North America.

Born in China, Mr Tsim has studied in both Hong Kong and Britain, gaining a postgraduate diploma in advanced government studies from Manchester University. He first joined the staff of the Chinese University in 1977 for a two-year stint before rejoining as the press director in 1983. He is a past winner of the award for Hong Kong's most outstanding young person.

Macao

Macao's Trade Deficit Down During Jan-Feb
*OW2304031494 Beijing XINHUA in English 0256
GMT 23 Apr 94*

[Text] Macao, April 23 (XINHUA)—Macao reported a trade deficit of 387 million patacas (about 48 million U.S. dollars) during the first two months of this year, down by 26.4 percent over the same period of 1993, according to statistics released by the Macao government's statistics and census department.

Macao's export value in the January-February period grew by an impressive 10.6 percent to 1.7 billion Macao patacas (about 212 million U.S. dollars), as compared with the corresponding period of last year. Meanwhile, the import value increased by a modest one percent to two billion patacas (about 250 million U.S. dollars).

According to the Macao statistics and census department, during the first two months this year, textile and garments exports, with a share of 67.4 percent in the total export value, increased by 5.8 percent, while non-textile exports, including toys as Macao's number two export item, grew by 21.9 percent.

Moreover, exports to the 12-member European Union, including Portugal, increased by 25.8 percent over the same period of 1993. The EU remained Macao's number one export market, with a 33.5 percent share in total export volume. The United States absorbed 27.8 percent of all exports and the Asia-Pacific region 33.1 percent.

**Industrial Transformation Symposium Held in
Macao**
*OW2304123494 Beijing XINHUA in English 0903
GMT 23 Apr 94*

[Text] Macao, April 23 (XINHUA)—A symposium on the transformation of Macao's industries was held here today.

Sponsored by the Macao Institute of Engineers, the symposium invited experts and entrepreneurs from China's mainland, Portugal, Taiwan, Hong Kong and Macao to explore ways for Macao's industrial transformation from the aspects of industrial and enterprise management.

The symposium was also aimed at enhancing scientific and technological exchanges and cooperation between Macao and other places in the world, according to the symposium sponsor.

Considering the fact that Macao will revert to the Chinese sovereignty in 1999, an official from the Macao Institute of Engineers said, it is necessary to seek ways for industrial transformation and development of multi-facet industries to maintain Macao's prosperity and stability.

He also said it is important to develop technology-incentive industries in Macao, by making best use of its relations with Portugal and other European countries

and neighboring Asian countries, to expand Macao's export market and raise its international competitiveness.

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